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10 April 1985

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AUSTRALIA

PROFESSOR VIEWS ANZUS STAKES FOR AUSTRALIA

Sydney THE SYDNEY MORNING HERALD in English 5 Feb 85 p 9

[Article by Professor J.A.C. Mackie]

[Text]

**T**HE MINI-DRAMA resulting from New Zealand's challenge to the US over nuclear-armed ships has aroused debate in Australia about the benefits and disadvantages of the ANZUS alliance at a time when clear thinking on the subject is likely to be heavily clouded by gut-feelings.

With their traditional sympathy for the underdog and love of an old-fashioned punch-up, Australians are naturally inclined towards sympathy for David Lange in his confrontation with Goliath Reagan. And the Reagan Government's rhetoric and policies on nuclear arms negotiations are still so disturbingly hawkish and unpredictable, despite the latest moves towards nuclear arms talks, that not even the ultra-conservative leaders of Britain and West Germany are entirely comfortable with them.

So it is not surprising that the Australian anti-nuclear lobby and the left wing of the ALP are eager for Australia to leap in and join David in the confrontation with Goliath.

Mike Steketee had an entertainingly waspish piece in *The Sydney Morning Herald* last Friday suggesting that "what Hawke needs in America is a hand-picked fight". As an old Australian nationalist and ALP sympathiser, I have a lot of sympathy with that argument. But there are dangers in pushing it too far, just to court a little domestic popularity by stagey nationalist gestures.

On the weighty issues of nuclear disarmament, our bargaining power is limited, and we are more likely to be able to exert some influence upon Washington by remaining within ANZUS than by putting it at risk, as New Zealand is doing. If ANZUS were to collapse because of a serious rift between Australia and the US, the damage to our standing in the Asia-Pacific region would be far-reaching.

What is at stake for Australia in the survival of ANZUS is not any immediate threat to our territorial security. It is something more complex, long-term and deep-seated -- the erosion of our political and (ultimately) economic capacity to participate fully in the

international affairs of the region. An Australian rupture with the US over ANZUS would mean yet another step towards relegating ourselves to the status of the "poor white trash of Asia".

If we are to maintain a position of some influence and bargaining -- power in our relations with our Asian neighbours -- heroic symbolic gestures on nuclear arms will be no substitute for sheer hard work, hard thinking and hard decision-taking.

New Zealand is in a very different position. Because New Zealand is not contiguous to Asia and has less need or capacity than Australia to play an active part in the international politics of the South-East and East Asian region, her stake in the security of that part of the world is a good deal less pressing than Australia's.

If through miscalculation or mischance, the New Zealand Government's actions jeopardised her membership of ANZUS, her security and foreign policy interest in Asia would not be very seriously impaired. But that would not be true of Australia, if we put our position in the alliance or our relationship with the US in jeopardy. We have far more at stake because of our sheer proximity to Asia.

There are two common fallacies in much Australian thinking about our security. One is to couch the debate over ANZUS and the nuclear questions, as well as our security relationships with Asia, in terms of some single-factor determinant, involving a once-for-all, black-or-white choice. The fact is that all these issues involve a complex assessment of multiple costs and benefits.

The other is to view the "security" aspect of our relationship with Asia as to do ultimately with warding off invasion or attack, as in 1941-42. But that is so unlikely as to be an almost insignificant risk in this day and age.

International politics is about the application of pressure in a multitude of ways, not about seizing lands or invading other countries. Economic power is just as important as military power these days. Rarely does the ultimate sanction of applying overt military force come into play.

It is not unthinkable, (though highly unlikely), that Australia may find herself drawn into some sort of low-level conflict over the PNG-West Irian border problems; but that would be something far less than a threat to Australia's security. Even on this relatively minor issue, however, it is our political standing in the Asia-Pacific region, not the ANZUS umbrella or big battalions, that will most affect our capacity to exert any influence there.

Australia's security interests in the Asia-Pacific area depend ultimately upon the maintenance of peace and stability within the regional international system in general (which includes Australia and the US), not upon being able to ward off threats of invasion or trouble in New Guinea or nuisance raids on our exposed northern coastline.

And we have a political interest rather than a military one in exerting what influence we have in the affairs of the South-East Asian region (including Vietnam, Kampuchea and Laos) to achieve peace and stability there,

particularly by minimising opportunities for great power rivalries. In this, Australia's interests are almost identical with the interests of our ASEAN neighbours.

South-East Asia today is not such a turbulent and unpredictable place as it was in the 1960s, when Australians had far stronger reasons than now to be worried about the dangers inherent in regional instability. (The Philippines is a potential witches' brew, of course, in the post-Marcos era: but even if political upheavals occur there, it is unlikely they will spread to other countries.)

But things could turn bad again just as unpredictably as they took a dramatic turn for the better in the 1970s. So it would be foolishly short-sighted for Australia to take the stability of the region for granted in long-term political and defence strategies. And in Australia's economic priorities, South-East and East Asia must be made our number one priority.

It is here that the ANZUS alliance is crucial for us. Not because we need an American defence umbrella or assurance of military support, but because of what any Australian rupture of its relationship with the US would signify in Asia.

It would be widely interpreted as a sign that Australia was withdrawing into splendid isolation, at a time when it is of the highest importance that we move actively in the opposite direction, towards greater involvement in the affairs of our region.

None of the governments of East and South-East Asia want the US to "withdraw" from its East Asian security involvements, except Vietnam and its satellites and North Korea. (Does the ALP left wing seriously believe we should base our foreign policies on an alignment with them?)

China certainly does not, nor does Japan, nor ASEAN. Nor would they be impressed if Australia, for the sake of making a symbolic gesture of independence, either opted out of the ANZUS alliance or allowed serious strains to develop in our relations with US. Mr Nakasone made that clear during his Australian visit last month.

What is at stake is Australia's capacity to maintain its standing as a nation with both political and economic clout in the Asia-Pacific region. We cannot hope for one without the other. Yet our economic advantages are rapidly becoming eroded.

That makes it all the more important that Australia shows through its foreign policy actions (and not just words) that Australia is a factor of some significance to be reckoned with in the international affairs of the East and South-East Asia region. This will require intelligence and foresight, not symbolic gestures.

Since World War II, Australia has been working steadily towards ensuring that it is no longer regarded as a place apart from the region, an all-white, semi-colonial anachronism, but is recognised by its neighbours as a full participant in the affairs of the region, a charter member of the slowly emerging Asia-Pacific international order.

At times we have been successful in this, at times not. We have been most successful when we have been seen as eager to identify with our neighbours and to play an active part there; least successful when we have appeared aloof or inclined to withdraw from involvement.

During the last 10 years, many South-East Asian leaders have shown an increasing tendency to conclude that Australia is disengaging from serious involvement in South-East Asia's affairs in the wake of what they took to be America's post-Vietnam war disengagement. Not surprisingly, some have been critical of Australia's independent initiatives since 1980 in its policies towards the Vietnam-Kampuchea issue. They regarded this as unwarranted "interference" in their affairs. We may not like being regarded as

outsiders — and I believe it is of the highest importance that we should not be — but we will change this attitude only through actions, not words.

No aspect of Australian foreign policy during the next five or 10 years is going to be more important than the task of building up our standing in Asia as a country to be taken seriously.

At present, Australia's standing in the eyes of Asian governments is enhanced slightly by the fact that the Australian Government is known to have a reasonably good degree of access to, hence influence with, key policy-makers in Washington.

That influence depends on Washington's belief, unfortunately much stronger in the 1960s than in the 1980s, that Australia is well-regarded in South-East Asia as a significant factor in the political and economic life of the region. Neither assumption is as credible as it was 20 years ago.

I am not asserting that this line of reasoning constitutes a decisive argument for urging that Australia should avoid taking the same risks with the ANZUS alliance that New Zealand is taking. But advocates of that course will need to show some positive benefits from such a course of action before Australia adopts it. They will certainly be increasing the likelihood that Australians will then find themselves reduced to the status of the poor white of Asia by the year 2000.

*Professor J. A. C. Mackie is head of the Department of Political and Social Change, Research School of Pacific Studies, Australian National University, Canberra.*

CSO: 4200/667

AUSTRALIA

CANBERRA CANCELLATION PRE-EMPTS U.S. 'RETALIATION'

Sydney THE SYDNEY MORNING HERALD in English 6 Feb 85 p 5

[Article by Hugh White]

[Text]

CANBERRA: The Australian Government has pre-empted US retaliation against New Zealand by Mr Hawke's premature announcement of American withdrawal from the Sea Eagle exercise, and by the subsequent decision of the Defence Minister, Mr Beazley, to cancel the exercise before Wellington had been consulted.

Australia's precipitate action in beating Washington to the draw on the announcement of America's withdrawal and Australia's cancellation of the exercise is certain to be resented by New Zealand, and will draw further criticism from an already enraged Labor Left at home.

The ALP Left can claim that Mr Hawke's actions go even further than did his stiff letter to Mr Lange last month in appearing to side with the US against New Zealand on the nuclear ships issue.

Mr Beazley's statement yesterday affirmed Australia's continuing defence interests with both the US and New Zealand, but surprisingly did not mention any desire or hope by Australia to maintain ANZUS in its present form.

Instead Mr Beazley said only that "discussions will now begin immediately with the United States and New Zealand Governments to explore ways in which

these defence interests can be separately pursued".

The Government's actions yesterday took both its ANZUS allies by surprise.

For several hours after Mr Hawke's announcement in Brussels that America would withdraw from next month's ANZUS Sea Eagle exercise, officials in Washington refused to confirm that such a decision had been taken.

Well after Mr Hawke's announcement a Pentagon spokesman was quoted as saying that the exercise would proceed. Eventually the State Department spokesman confirmed to Australian journalists the US withdrawal from the air-sea exercise, but only after considerable pestering.

Even before that confirmation was received Mr Beazley released a statement in Canberra which announced that the exercise had been cancelled.

US withdrawal from the exercise is essentially separate from Australia's decision to cancel it altogether. As the host country for Sea Eagle, it is Australia's prerogative to cancel — America, as one of the "guests", can only withdraw.

America was scheduled to send only one or two ships to the exercise, out of a total of 18, so there is no doubt that it could still have gone ahead despite America's withdrawal.

Late yesterday afternoon the recently-arrived New Zealand High Commissioner, Mr Graham Ansell, said that New Zealand had still not been officially notified of Australia's cancellation.

Several explanations have been put forward here of why Mr Hawke chose prematurely to announce such a sensitive US decision. One is that he mixed up the time zones between Brussels and Washington, mistakenly expecting that a US announcement was imminent.

Another explanation is that Mr Hawke wanted to speed up the announcement of US retaliation against New Zealand for its nuclear ship policy so that it came before any approach he makes to President Reagan to let him off the hook over the MX issue.

The argument goes that Mr Hawke would want to ensure that Washington's retaliation against New Zealand would not also appear to be a retaliation against Australia for the MX back-down.

Yet a third possibility is that Mr Hawke did not want to be in Washington when the US withdrawal was announced, lest he appear to be supporting the US gesture.

But none of these explain the additional mystery of Mr Beazley's extraordinary haste in announcing the cancellation of the exercise.

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AUSTRALIA

STUDY FINDS ECONOMY AMONG FASTEST GROWING

Melbourne THE AGE in English 5 Feb 85 p 5

[Article by Russell Barton]

[Text]

CANBERRA. — The Australian economy is one of the fastest growing of the industrialised countries, according to an international index prepared by using leading economic indicators.

The index, prepared locally by the Australian Chamber of Commerce and Melbourne University's Institute of Applied Economic and Social Research, puts Australia's annual growth rate up to last October at 7 per cent, equal to West Germany and just behind Japan (10 per cent). France is next with a 6 per cent growth rate.

The index, prepared in co-operation with the Centre for International Business Cycle Research at New York's Columbia University, measures the direction and pace of world economies.

It is based on three main groups of economic statistics — leaders, which historically have moved ahead of the economic cycle; coincidents, which follow the leaders; and laggards, which can

indicate the tail end of an economic cycle.

Some of the key statistics gathered for the 'leaders' index are factory overtime, demand for new telephone services, residential and non-residential building approvals, business profits, and business overdrafts outstanding.

The indexes show that the Australian economy is growing faster than some other recent indicators and studies have suggested.

The leading index indicates a continuing expansion of the Australian economy, although probably at a slower rate.

Dr Ern Boehm of Melbourne University and Mr Brent Davis of the Australian Chamber of Commerce said yesterday that over the first half of 1984 the leading index remained fairly flat. They said this suggested that the strong recovery which began in May 1983 could have been short-lived.

This seemed to be confirmed by the slowdown in May to August, 1983 in the coincident index which traced the current performance of the economy.

But since June, 1983 the leading index had advanced from 111.4 (the base is 100) to 113.0 in September, 114.7 in October and to an estimate of 115.0 for November. (Later figures are not available.)

At the same time the coincident index recommenced its upward path, from 105.6 in September, 106.4 in October and an estimate of 106.8 in November. The increases mean that the two indexes have remained significantly above Australia's trend rate of growth of 4 per cent — averaged over the years 1969 to 1979.

Dr Boehm and Mr Davis said that some other countries were showing slower growth, including Italy, the US, Canada, and the UK. They said: "In short, economic recovery is worldwide, but the pace ranges widely from slow to rapid. The slight improvement in the latest figures provides an encouraging hint that the sharp slowdown in the US and most other countries in the second half of 1984 may be bottoming out."

BURMA

SHAN LEADER ON RELIANCE ON THAILAND, NARCOTICS

Bangkok WIWAT in Thai 23 Feb-1 Mar 85 pp 30-37

[Interview with Gen Khon Choeng, the president of the Tai-Land Revolutionary Council: "Twenty-Eight Years of War to Liberate the Shan Nation"; date and place not specified]

[Text] [Question] What is your view on the present situation and the future of the Shan revolution?

[Answer] Looking at the history of the Shan national liberation movement, this has resulted because of our failure to react immediately to the tricks of the Burmans. At the end of the Second World War, England granted independence to Burma. The Burmans felt that if there were no Shan state, it would be difficult to establish an independent state and so they tried to persuade the Shans. The unstated goal of the Burmans was to turn all the nationalities into Burmese. Thus, they tricked the Shans into agreeing to regaining independence together with the Burmans. Actually, we were afraid that the Burmans would not honor their promise of granting us independence and so we asked that an agreement be signed. This was known as the Pang Luang Agreement. It was signed on 12 February 1947. In it, the Burmans agreed:

After 10 years, the Shans had the right to secede from Burma. But after the Pang Luang Agreement expired, the Burmans refused to abide by the terms of the agreement.

There was no legal way for the Shans to regain their independence and rights and so in 1958 it became necessary to take up arms and fight.

In 1957 when the Pang Luang Agreement was 10 years old, Shan leaders held a conference at Mong Yai in the northern part of the Shan State in order to discuss the future of the Shans and decide whether to secede from Burma. The Burmans sent agents to disrupt the meeting and prevent us from discussing this matter. On 10 September 1957, the day that the Shan parliament was to meet to discuss this matter again, the Burmans sent troops to encircle the parliament [building] and prevent a meeting. Shan leaders were arrested.

That year, the Shans began to realize what was happening. After the Shans took up arms and launched their revolution, the Burmese government tried to destroy the national liberation movement by splitting us into several groups. On 12 November 1958, there was only a single group, that is, the Num Suk Han group. But in 1960, a student group split away and formed the Shan State Independent Army (SSIA). Then, people split into seven or eight different groups. By 1965, the national liberation movement was a shambles. We were fighting among ourselves for territory and profits.

Since 1966, the situation has moved in a new direction. The propaganda of Mao Zedong reached a high pitch, particularly in Southeast Asia. I did not see any benefit at all in joining with the communists since that would have meant the destruction of our homeland. In 1966-1967, we held a meeting in the northern part of the Shan State in the Sipo area. I did everything I could to prevent people from joining the BCP [Burmese Communist Party]. But I failed. Several of the national liberation groups joined the communists. These included the SSPP [Shan State Progress Party] and the Pa-o group. They joined with the communists thinking that this would enable them to obtain weapons from China, destroy the Ne Win government and gain independence. But what they forgot was that the BCP was composed of Burmans. Ne Win was a Burman. Neither group wanted the Shans to gain independence. Because of this, the BCP did not provide enough weapons to enable the Shan group to defeat Ne Win.

For me, that was a very difficult period. I tried to get the various groups to unite. But I failed; the various factions all leaned to the left. I went to Piang Luang on 11 June 1968 in order to meet with members of the Num Suk Han group, which was headed by Prince Noi. We issued a three-point program: to oppose the communists, gain independence and build a democratic system. After that, there was a dispute with Prince Noi since he felt that money was the most important thing in waging revolution. But I felt that politics was the main thing. I would not agree and so Prince Noi left. I took my 700-800 loyal subordinates and formed the Shan United Revolutionary Army, or SURA, in 1969. We added two more basic principles to the previous three. These concerned unity and peace.

The most important task was to fight the communists and so we had to seek friends from all groups and countries that opposed the communists. By chance, the KMT, which was headed by Gen Lao Lee, was interested and so we formed an alliance in 1969. People viewed me as a traitor. I tried to make people understand that if the Shans were to gain independence, we had to follow the path of democracy. And to follow the democratic path, we had to have friends. If someone extended the hand of friendship, we had to grasp it. The KMT was opposed to the communists.

After that, the situation shifted again when those national liberation groups that had joined the BCP did not receive good support from the communists. Furthermore, there was political interference. The BCP

forced the various groups to accept BCP leadership. Accepting BCP control was the same as being a colony. When the people saw the truth, they tried to get out of the grasp of the communists. They saw that the TRC [Tai-Land Revolutionary Council] was the only anti-communist group and that it had a correct policy. And so they made contact with us.

Looking at the revolutionary movement since 1980, it can be seen that things have improved. I made an appeal for unity on 19 June 1983 and set the following conditions: 1. support the four institutions; 2. oppose Ne Win; 3. oppose the BCP; and 4. gain independence. I was willing to negotiate with any group that accepted these conditions in order to establish a revolutionary council. On 1 April 1984 I established the TRC. Many people, monks and students gave their support. Seeing this, I concluded that the TRC would be able to solve the problems and that this would definitely enable the national liberation movement to achieve its aims.

[Question] Besides the Shan State Army (SSA), which joined with the SURA in establishing the TRC, what is the attitude of the other groups?

[Answer] After I made an appeal for unity, all the groups in the Shan State contacted me. This included groups such as the Pa-o National Organization (PNO), the Palong State Liberation Organization (PSNO) and the Wa National Organization (WNO) that had once been part of the communists' united front. These minority groups said that the formation of this revolutionary council was up to the Shan groups. The minority groups were not against the Shan groups joining together. They wanted to see what the three Shan groups would do. These three were the SURA, the Shan United Army (SUA) and the SSA, or Shan State Progress Party (SSPP), to use its party name. The SSPP and SSA sent high-level representatives to negotiate. They wanted to form a united front first. I did not feel that that was correct since there would still be two separate groups, that is, the SURA and SSPP. The SSPP, which was still backed by the BCP, would have greater power. This would destroy the SURA since the SURA was backed only by poor people and the Shan State would become a communist state. There would be no chance of us gaining independence. My group proposed that a revolutionary council be formed and that the two groups dissolve their groups. We proposed that we have a common enemy, that we share the tasks, that we abide by the same rules and regulations, that we have one policy and that we share responsibility. But the SSPP, or SSA, would not agree, and so it split into two groups. The group of Prince Cham Mai joined the SURA in establishing the TRC.

When the SUA, Khun Sa's group, learned of this, it contacted me and said that it was interested in my proposal but that it wanted to know more about this. I sent a representative to meet with them. They agreed to my five conditions, or principles. After I sent the TRC's constitution to them, they said that they approved of it, but they refused to sign an agreement. This was because we are allies of the KMT. I explained matters to them but they refused to accept this. Thus, since I am trying

to win national liberation and the SUA has accepted all the conditions with the exception of the KMT matter, I have accepted the SUA as an ally, which is where the matter stands now.

[Question] Will they join the council as a full member?

[Answer] There are two things that could happen. 1. If the SUA is a real national liberation group, they will have to join us. 2. If they are not a real liberation group but only narcotics traffickers, as is commonly thought, they will not join.

[Question] What is the TRC's policy on narcotics?

[Answer] We feel that at the root of today's narcotics problem is the socialist government and the communists. The Rangoon government is not interested in the well-being of the people. Thus, the way to solve this problem is to eliminate the present socialist government and the communist system and establish the sovereignty of the Shans. As for taking direct action to solve this problem, we have implemented control measures and are educating people about this in order to take further action later on. That is, we want to suppress this. At present, we have begun to control things and educate people. But there are limitations.

[Question] If we try to suppress narcotics, won't this turn the SUA into an enemy?

[Answer] During the 30 years that I have been waging a revolution, my only goal has been to gain independence. Most of the people now view me as their leader. I have to be attentive to what I am doing. I cannot permit anything that might harm the revolution or the national liberation movement and will oppose such things. I view narcotics trafficking as an enemy of the national liberation movement.

[Question] Have you had a chance to talk with Khun Sa about this matter and about the TRC?

[Answer] I announced my five conditions at the very beginning. Now, in addition to these five conditions, I have added another condition and that is the TRC's anti-narcotics policy. If the SUA accepts these six conditions, I will be glad to negotiate with them. But if they are not willing to accept these, I will carry on without them. I am ready to negotiate with any group that wants to join us and that accepts my six conditions.

[Question] What do you think Thailand's attitude toward this policy is?

[Answer] The Thais have their own country with the king at the head. The Thai government is trying to bring about peace. They have to make laws and regulations. I am not in a position to say whether their policies are good or bad. It's up to me to get the Thais to support my movement and help me. Concerning this matter, I feel that the Shans in Burma have been controlled by the Burmese government. The Shans in Indochina have been controlled by the Vietnamese and those living in China are under the control of the Chinese. Only in Thailand do the Shans have independence and freedom. There, they are not under the control of anyone. Thus, in trying to liberate the Shan nation, I can see no other way except to rely on the Thai people, the Thai monarchy and the Thai government.

Looking at the map, it can be seen that the Shans are surrounded by four countries: Laos to the east, China to the north, Thailand and Burma. I don't think that Burma, China or Laos will do anything to help the Shans who are trying to gain independence. I think that the only country that will aid us in our effort to gain independence is Thailand.

As for that final point, I think that the Shans will have peace and happiness only if the Thais have peace and happiness. If there is trouble in Thailand, this will cause problems for Shans, too. Thus, to help bring peace and happiness to the Thai people, I am trying to act in accord with Thai policies and laws. I don't want to cause problems for the Thai people. Whenever I take some action, I try to get the approval of Thai officials.

I am in no position to speak about the attitude of the Thais. But whether or not the Thais support us depends on our movement only.

[Question] Does that mean that the TRC will help Thailand defend against the communist threat?

[Answer] Unless it were possible, I would not say that I oppose the communists. Because there is only one path in liberating the nation and that is the path of democracy. We can't use socialism or communism as the path. The same is true for Thailand. Thailand is a democracy. Thus, as long as things are peaceful in Thailand, the Shans will benefit and will be able to rely on Thailand for help in establishing our own country. I think that Thailand's enemy is our enemy.

[Question] Can you confirm that the TRC is not involved in narcotics trafficking and that it will help Thailand suppress this?

[Answer] Yes. I will be glad to help Thai officials suppress narcotics. But looking at the narcotics problem, it can be seen that that is a broad subject. The Shan's goal is to liberate their nation, not traffic in narcotics. To say that this problem arose after we launched our national liberation movement is incorrect. Actually, the problem began

several hundred years ago. But by chance, it was after we launched our liberation movement that the United Nations announced its intention of suppressing narcotics. They felt that much was produced in the Golden Triangle, that is, approximately 50 percent of the world supply.

Actually, the Golden Triangle is not part of Burma; it is part of the Shan State. Thus, solving the narcotics problem concerns the Shans, who have launched a national liberation movement. I will feel very sad if we cannot liberate our nation and the United Nations announces a narcotics suppression policy. At present, we are experiencing great difficulties. To win, I must assemble forces since I cannot rely on outside forces. Thus, I have to receive help from the people and from collecting taxes from the people. I also have to have the help of the merchants. Since the United Nations has begun suppressing narcotics, I have to be careful about receiving help from the merchants. As for the people, I tell them not to do anything that will cause problems for the outside world. On the other hand, the national liberation movement under my leadership must move forward, too.

In 1970, I prohibited narcotics trafficking in the army. I gave permission to collect taxes only. But I can't forbid the merchants from engaging in this since we still need money to support our troops.

I think that if the Shans fail to take responsibility for solving the narcotics problem, the result will be bad for the Shans. Burma receives huge sums of money in aid from narcotics suppression units, but it uses almost all this money to suppress the minority groups. It does not use the money to suppress narcotics. The ones who can suppress narcotics are the people who live in the area, that is, the Shans. Thus, I have formulated suppression plans. I have submitted all these plans to Thai officials. Since Thai officials consider the traffickers to be an enemy, I, too, consider them to be an enemy. The Shans and Thais have this in common. But what is different is that Thailand is an independent country. Other countries provide Thailand help in suppressing narcotics. But I am trying to win independence. No one provides us help. Thus, at present, in carrying on suppression operations, I can only do so much.

[Question] Can we get the aid money given to Burma diverted to us instead?

[Answer] This does not refer to the aid funds from the narcotics suppression sector. I am trying to oppose narcotics, too. Narcotics pose a threat to national liberation. As for my providing support, I will do as much as I can. To solve this problem, the world must see where the problem is. If they see that it is in the Shan State, they will see the TRC. My group will agree to anything that will help solve this problem. But this does not mean that I want money. What I mean is that I want to free the Shan people from their difficulties as quickly as possible. If I trafficked in narcotics, what country would help me? On this point,

I want to affirm that I am not engaged in narcotics trafficking. I am ready to cooperate to solve this problem. Thus, if the world wants to give aid to the TRC, regardless of the form of the aid, we will accept it.

[Question] Thahan phran irregulars closed the border on 1 February 1985. What is your view on this?

[Answer] The Thai government ordered the thahan phran irregulars to enter the area. The thahan phran irregulars were just obeying orders. As for whether that was right or wrong, I can't say. But one thing that I can mention is a mistake that I made. The thahan phran irregulars were sent to search for weapons and other contraband items. My mistake was to give my subordinates permission to carry weapons in Thai territory. I authorized this out of concern for my troops who were constructing buildings. But I admit that I was wrong about this, and I will correct this. A great problem for me is intelligence. I have a great problem because in carrying on the national liberation movement, all I have to give those who have come to participate in the movement is my gratitude. But if we starve, everything that I have been trying to do for all these years will have been for nothing. Thus, I would like to appeal to the officials concerned.

[Question] Are you afraid that Burma will take some action to force Thailand to control the border more tightly?

[Answer] Burma is our enemy. They are already trying to do that. But that will depend on the Thais. And I think that they will show compassion for people of the same nationality.

[Question] What help would you like the Thai government to give you?

[Answer] I can't say. The only thing that I can say is that I would like to ask Thailand to help me so that I have sufficient strength to liberate my nation.

[Question] How confident are you about winning national liberation and how long will it take?

[Answer] It will not be easy to win independence. There are great problems. In particular, the narcotics problem is a difficult problem. Unless the Shans solve this problem, they will not be able to gain independence. The narcotics problem poses a danger to the entire world. If the world realizes that solving the narcotics problem depends on the Shans, I think that we have a chance of gaining independence. But I can't say when that will happen.

[Question] It is said that the Shan movement to gain independence is plagued by a lack of unity among the various groups.

[Answer] I don't think that it is correct to view unity as the main problem. There are two sides to unity. That is, unity that leads to failure and unity that leads to development. Burma has unity in building a socialist system. The same is true for the communists. They want unity for their own purposes. But I want unity only to gain independence. Thus, I have set conditions in advance in calling for unity.

In short, unity is secondary to independence. Thus, those who join together are people who want only one thing, independence.

[Question] If your movement becomes encircled on all sides, including Thailand, would you consider working with the communists?

[Answer] I believe that the moment we begin cooperating with the socialists, the Shan race will disappear. The same thing will happen if we cooperate with the communists. Because I feel this way, I have launched a revolution. But if no one helps us and there is no way we can win, I won't go anywhere. I am ready to die.

[Question] What warning would you like to give the Thai government about the situation here?

[Answer] During the period 1964-1968, Mao's propaganda spread throughout the world, and this affected Thailand, too. The BCP wants Burma to be a communist country. The CPT [Communist Party of Thailand] wants Thailand to be communist. These two groups support each other. If Burma becomes a communist country, Thailand will become communist, too. These two groups are in contact with each other. Working to turn Thailand into a communist country is a 24-hour task of the BCP.

[Question] We don't want Thailand to change its policy on the minority groups, is that right?

[Answer] Yes.

[Question] What about the matter of the Shans forming a government in exile?

[Answer] As I have said, before we do anything, we have to consider the matter very carefully. The same is true for establishing a government in exile. We are discussing this and looking for the right moment. When the right time comes, we will make the announcement.

[The following is an excerpt from an article accompanying the interview.]

#### The Shan State, a Revolution That Is Filled With Conflicts

The Shan State is the largest state in the Union of Burma. It has an area of approximately 62,000 square miles. It is situated in the eastern part of Burma to the north of Chiang Mai Province in Thailand. Approximately

7 million people live there, 60 percent of whom are Shans. The rest are composed of minority groups such as the Wa, Pa-o, Palong and Lahu.

In 1958, Burma, under the leadership of Premier U Nu, refused to grant independence to the Shans and tore up the Pang Luang Agreement signed by the Burmese government and the Shans on 12 February 1948. This agreement stated that at the end of 10 years, the Shans would be free to choose their own path. It was then that the revolution was launched. The Num Suk Han and Shan State Independence Army (SSIA) were formed to fight for independence.

In 1959, Khon Choeng joined the Num Suk Han movement. After that, more and more national liberation groups sprang up.

In 1963, Ne Win, who had seized power from U Nu on 2 March 1962, opened peace negotiations. The SSIA demanded independence. The negotiations failed, and the SSA was formed.

In 1964, the SSIA, SNUF and KRF joined together to form the SSA.

In 1967, Khon Choeng formed a coalition government composed of the SSA, Pa-o Independence League and the SNIA.

In 1968, the majority of the SNIF defected to the BSPP, or Burmese government. The communist tide reached a high tide in the wake of the Cultural Revolution in China. Khon Choeng went to Piang Luang and again joined forces with Prince Noi, the leader of the Num Suk Han group, to try to win independence.

The Shan United Revolutionary Army (SURA) was founded on 25 January 1969 under the leadership of Khon Choeng. It was an ally of the 93rd KMT Division.

In 1971, the SSA formed the Shan State Progress Party (SSPP).

In 1982, there was a split within the SSPP, and one faction joined the SURA.

In 1983, Khon Choeng called for unity in the Shan State and announced his five basic principles.

In 1984, the SSA split away from the left wing of the SSPP and joined in forming the Tai-Land Revolutionary Council (TRC) at a meeting of the Tai-Land Legislative Assembly (TLA). The Tai-Land Revolutionary Army (TRA) was formed.

In 1985, there have been reports that the SUA and other minority groups are ready to join the TRC. If the Shans can succeed in joining together, the SUA will have to join the TRC, too.

## The Path to Independence Today

While the Shan national liberation groups are making appeals for unity, this area is still filled with various liberation groups. Seven of these are:

1. The Shan State Progress Party (SSPP), which is led by Col Chai Lek. It has a strength of 200-500 armed men. It has influence in the western and middle regions of the state.
2. The Pa-o National Organization (PNO), which is led by Col Ong Khamthi. It has 700 armed men in the southwestern region.
3. The Wa National Organization (WNO), which is led by Maha Sang. It has 100 armed men who operate near Pashang in the eastern region.
4. The Lahu National United Party (LNUP), which is led by Phya Cha Erh. This group exists in name only since the forces surrendered to Burmese officials.
5. The Shan United Army (SUA), which is led by Khun Sa, or Chang Si Fu. This group has approximately 5,000 armed men. Its zone of influence extends from the southeast to the center of [the Shan State]. It can assemble the largest number of forces to struggle for independence. However, many people believe that the SUA is just a group of narcotics traffickers. This is because Khun Sa believes that the economic factor is the decisive factor in gaining independence. On the other hand, Khon Choeng believes that politics is the decisive factor.
6. The Tai-Land Revolutionary Council (TRC), which is led by Col Khon Choeng. This group has 3,000 armed troops and controls an area of 15,000 square miles in the southern and central parts of the [Shan] State. It is supported by more than 1 million people.
7. The Palong State Liberation Organization, which is led by Cho La. This group has approximately 400 armed troops. It operates in the northwest. This does not include the BCP, which has more than 10,000 armed troops under the command of Pa Teng Tin. The BCP is supported by several million people throughout the country. Its objective is to turn Burma into a communist country. The Shan State is just one of its areas of operation in the country.

"At present, Khon Choeng is trying to get the SUA to join the TRC. This would cause the Palong, Pa-o and Wa groups to join, too. This would help to unify the Shans, which is the only way to defeat the Burmese government quickly. At present, the SUA says that it agrees with Khon Choeng's proposal to have Khun Sa control all military and economic activities. Khon Choeng would be in control of political matters. But to date, they have not signed a formal agreement," said the head of the Shan foreign affairs section to ATHIT-WIWAT.

## The TRC Today

Looking at the national liberation forces whose goal is to liberate the [Shan] State and who are believed to have the support of more than a million people, amidst criticisms that these forces are just narcotics traffickers [as published].

Of all the revolutionary groups, the TRC seems to have the advantage. Thai officials seem to believe that the TRC will not cause problems for Thailand, either by trafficking in narcotics or violating other laws.

When the SSA and the SURA formed the TRC, they established internal organizational regulations in a systematic way. That is:

The TRC has a constitution that is based on 1. resistance to the Burmese socialist government and the BCP, 2. independence, 3. democracy, 4. unity, and 5. equality.

The TRC has a legislative assembly, the Tai-Land Legislative Assembly (TLA), which is composed of 14 representatives from the SSA and 14 representatives from the SURA. This assembly will change when other groups join.

The TRC is responsible for administration. The president of the council is Col Khon Choeng; the secretary-general is Col No Fa. [Other sections are:]

The Defense Section: Maj Gen Kan Chaet.

The Foreign Affairs and Education Section: Lt Col Doen Sai.

The Information Section: Cpt Saeng Choen.

The Economic and Finance Section: Lt Col Cho Yon and Cpt Khun Sa.

The Religious Affairs Section: Cpt Chare Thi.

The Industry Section: Lt Col Chit Sawe.

The Agriculture Section: Lt Col Ta Tun.

The Justice Section: Lt Col Ko Fa.

The TRC's Tai-Land Revolutionary Army (TRA) is under the command of Maj Gen Kan Chaet. There are four combat divisions:

The 271st Division, which operates in the area of Mong Ton, Mong Hang and Mong Pan, is composed of the 101st, 202nd and 991st battalions and the 102nd Support Battalion.

The 272nd Division, which operates in the area of Mong Chiang Dong and Chiang Kham, is composed of the 583rd, 303rd and 505th battalions.

The 273rd Division, which operates in the area of Mong Nai and Doi Laem, is composed of the 404th, 606th and 116th battalions.

The 275th Division, which operates in the area of Mong Nong, Mong Kung and Mong Kesi, is composed of the 707th, 808th 909th, 992nd and 995th battalions.

#### The TRC and Thailand

"There is no one on whom we can rely except Thailand. We cannot rely on China, the BCP or Burma," said Khon Choeng, the president of the TRC, to ATHIT-WIWAT when asked his view on Thailand.

Based on a meeting held at the end of last year for officials concerned with matters along the western border, a Thai official said that we will implement a policy that benefits the country. We will establish order among the minority groups in order to suppress narcotics trafficking and other illegal activities. However, we will remain neutral and not violate Burmese sovereignty.

Based on Thailand's policy, along the border in Tak Province, which is an area where the Karens are active, Thailand has profited greatly from exporting clothing and consumer goods and importing precious stones and timber. The value of this trade has reached almost 70 million baht a day. In the Chiang Mai border area, which is where the TRC is active, trade is sporadic and few goods are imported into Thailand. Thai officials control things strictly since they feel that there is a narcotics problem in this area.

"We want to appeal to the Thai government about economic matters. We have contacted the Thai military about selling furniture in Chiang Mai. Our annual income totals approximately 40 million baht, which we earn from collecting taxes from merchants. This is not enough to cover our military expenses. We are trying to find sources of minerals and precious stones. But Thai officials must help us find markets," said a TRC economics official.

This is the problem of the TRC in trying to gain independence. A news report stated that in return for the help that the TRC has requested, the TRC is ready to help Thai officials by opposing the BCP and suppressing narcotics trafficking.

"If the TRC can get the SUA to join [the TRC], it will be able to solve the narcotics problem for Thailand. As for the BCP threat, it will be able to attract members of the communist united front such as the Palong and Pa-o groups. This will enable the Shans, who have at least 8,000 armed troops, to protect the northern part of Thailand from the

communists. At the same time, the 7,000 Karen troops of Gen Bo Mya will provide a defense line against the communists along our western border" said an officer in the Third Army Area to ATHIT-WIWAT when asked about Thailand's policy toward the minority groups on this front.

#### A Complex Policy

On 1 February, 6 companies of thahan phran irregulars totaling 500 men quietly went to Ban Piang Luang and searched for weapons and other contraband items. They seized more than 100 kg of heroin belonging to Haw Chinese and more than 100 weapons. After that, these thahan phran irregulars went to conduct a search in the KMT Doi Lao Chu area. But the KMT refused to allow them to conduct a search. Then on 9 February, two thahan phran irregulars were killed in an area filled with conflicts when the Haw Chinese retaliated in response to the operation conducted by the thahan phran irregulars. Following that, the thahan phran irregulars went to Huai Khelai to take revenge for their losses. Eleven Haw Chinese were killed. The latest report states that on 12 February, more than 200 Haw Chinese were preparing to launch an attack on the thahan phran irregulars.

These thahan phran irregular operations caused difficulties for the TRC when the irregulars closed the Thai-Burmese border. Food could not reach the TRC forces, and the seizure of 85 TRC weapons altered the balance of power in the area. Also, there have been reports that Burmese officials have readied troops at Mong Ton in order to attack the TRC. Thai officials must consider carefully what measures to use so that Thai officials and Thailand benefit just as was done in the case of the Free Karens of Gen Bo Mya, who have benefited Thailand economically and served as a buffer between [Thailand] and the BCP.

#### The Future of Shan Independence

The fact is that the Burmese government, with 160,000 troops, cannot really control the eastern part of the country. Also, the unity that is being forged between the SUA and the TRC will probably result in the SUA joining the TRC. These things should help this group achieve its objectives. But this depends on whether they implement clever policies and on whether this benefits Thailand. If so, this will help them achieve success more quickly.

11943

CSO: 4207/145

10 April 1985

## CAMBODIA

## PRO-CGDK IMAM SEEKS AID

Kuala Lumpur NEW STRAITS TIMES in English 18 Jan 85 p 2

[Text]

**KUALA LUMPUR, Thurs.** — Kampuchean imam Hosanh Hasann Passry, who escaped from Vietnam's prison twice and now taking refuge in Thailand, has turned to Perkim for help.

In his letters to Perkim, Mr Hosanh, 31, spoke of his people's plight when the Vietnamese attacked a Khmer resistance camp in Rithisen on the Thai-Kampuchean border.

Mr Hosanh, who is the imam of the Rithisen mosque, through Perkim has appealed to the Organisation of Islamic Conference (OIC) in Jeddah for help.

"We have brought the case of the refugees stranded at the Thai-Kampuchean border to the attention of the OIC," said Perkim's secretary-general, Datuk Haji Ahmad Nordin Haji Mohamed Zain, today.

Datuk Ahmad Nordin, who is also the secretary-general of the Regional Islamic Dakwah Council of South-east Asia and Pacific (Riscap), showed

three letters sent by Mr Hosanh over the past few months; the latest was dated Dec. 27, 1984.

**Jailed**

"These letters were sent to us to keep us informed of the situation and to seek OIC's help."

Datuk Ahmad Nordin said the imam had written to Perkim probably because he had heard about Perkim's activities and also because it was the nearest Islamic welfare organisation.

The OIC is aware of the Muslim refugees' plight and is taking up their case with the relevant Governments and organisations.

They are facing difficulties getting into Thailand which already has about 200,000 refugees since the fighting in Kampuchea began six years ago.

Mr Hosanh, who is now taking refuge in a camp called Red Hill or Site Six, about 6km inside Thailand, together with his wife, four children and Rithisen's 62,000 civilian population, was jailed twice by the Vietnamese for his religious activities.

Born in Phnom Penh, Mr Hosanh is fluent in Bahasa Malaysia — the result of years of religious education under a teacher who frequently travelled to Malaysia before the Khmer Rouge came into power.

Mr Hosanh fled to Ho Chi Minh City from Kampuchea during the initial chaos in his homeland. He conducted religious classes for the Muslims in the city.

He was arrested in 1982 and spent two months in jail before escaping. He then returned to Kampuchea.

In Siem Reap, Mr Hosanh continued to conduct religious classes in secrecy and was again detained.

He escaped in March last year and went to Rithisen, which was controlled by the Khmer People's National Liberation Front, and subsequently became the imam to about 1,000 Kampuchean Muslims in the camp, also known as Nong Samet.

He left the Rithisen camp for Red Hill after a Vietnamese attack last month.

CSO: 4200/676

CAMBODIA

## RUMORS OF POL POT WHEREABOUTS

Bangkok THE NATION REVIEW in English 20 Feb 85 p 2

[Text]

WHERE is Pol Pot, the Khmer Rouge leader who presided over one of the bloodiest revolutions of this century?

Only very sketchy reports and rumours have emerged about him since Dec 8, 1979, when he was interviewed by Japanese journalists at a guerrilla camp inside Kampuchea.

Some western Indochina watchers believe Pol Pot disappeared from public view because his name has become synonymous with the Kampuchean holocaust of 1975-79, when hundreds of thousands, perhaps millions, died in Kampuchea under Khmer Rouge brutality.

The Khmer Rouge, fighting the Vietnamese who ousted them from power in early 1979, are allied with two non-communist groups, and their coalition government needs international support.

Khieu Samphan, who currently heads the Khmer Rouge, said in December 1983 that Pol Pot was "responsible" for military operations against the Vietnamese, but was not a member of the three-party coalition government. A year earlier, Khieu Samphan said Pol Pot headed the Khmer

Rouge military but sometimes "has fever."

A knowledgeable Thai military source says Pol Pot — who is in his late 50s or early 60s — was hospitalized in late 1982 and early 1983 at Phyathai Hospital in Bangkok for high blood pressure and diabetes.

The source said he was admitted under a false name. The hospital's medical director, Dr Surapong Ambhanwong, said he had no knowledge of the treatment but indicated it was possible that a false name might have been used.

Unconfirmed reports and rumours in recent years have had Pol Pot making trips to China, the prime supporter of the Khmer Rouge.

The most solid reports say Pol Pot spends most of his time in the rugged Cardamon mountains of southwestern Kampuchea from where he commands the Khmer Rouge army or, as it is formally known, the national army of Democratic Kampuchea.

This kind of secrecy has shrouded the life of Pol Pot, whose real name is Saloth Sar and whose birthdate is variously given as 1925 and May 19, 1928. — AP

10 April 1985

## CAMBODIA

## KPNLF TROOP STRENGTH MAY BE EXAGGERATED: BEKAERT

Bangkok BANGKOK POST in English 1 Mar 85 p 4

[Article by Jacques Bekaert]

[Text]

LITTLE has been heard of the Khmer People's National Liberation Front since the Vietnamese assault on their main base of Banteay Ampil. The loss of what was considered to be the headquarters of the nationalist group received wide publicity in the world Press. It was at least a highly symbolic event.

Following the capture by the People's Army of Vietnam of Sokh San, Bakseu, Rythisen and part of Prey Chan (Nong Chan), it looks like the KPNLF has received a fatal blow, an impression reinforced by years of propaganda and the significance of border camps. A few days after the fall of Ampil the nationalist leaders, at the suggestion of some of their friends, started talking about the need to resort to "classic guerrilla warfare."

To talk about something as complex as guerrilla warfare (classic or not) is one thing. To change the hearts and minds of thousands of people who are used to their border bases, the presence of their families, the facilities of the black market (certainly not the case of the entire force but as a major motivation in the central region), is another. Besides, it is not so simple and easy to convince the leadership that the time of nice camps where one could impress foreign visitors with the illusion of "normal" life in Kampuchea is over.

"The idea is more readily accepted by the military commanders than by civilian cadres," a senior KPNLF official told us. And, like many, he agrees with the idea of changes in

tactic and strategy but says that the implementation of an entirely new concept of war will take some time.

At the moment the only base left intact is the one held by Ta Maing in front of the Thai village of Sanro Sanga. It consists of a small force of no more than 800 armed men and nobody is sure why it has so far been overlooked by the Vietnamese. Ta Maing and his men left Ampil in April 1984 and at the time was maintaining only the thinnest link with the rest of the nationalist group.

In Santhisokh (Obok), according to a reliable Khmer military source, local commander Im Chhouddeth has been replaced by a three-man committee said to include Im Chhouddeth's own brother, Chhoang. The 800 men of Obok have suffered from the lack of strong leadership and, our source said, the "reconstruction" of the army is a slow process.

To the south, Sokh San is still in the hand of the Vietnamese army. So is Baksei (Nam Yun) which was attacked in early December and, for all practical purposes, the same is true of Rythisen (attacked on December 25). The camp is still the scene of some shelling and skirmishes but no one at the KPNLF is really anxious to die for the reconquest of a camp which has done little to enhance the reputation of the nationalists as a fighting force.

Ampil, since it was abandoned (or overrun), has been occupied by the Vietnamese and Pro Heng Samrin Khmer troops.

Dong Ruk is little more than a civilian camp. It was shelled on the eve of Mr Perez de Cuellar visit to Thailand and Hanoi last January. No one has yet understood the need to hit women and children especially since during the past few months the Vietnamese gunners did give the impression of being rather careful not to shoot at the civilian population. The local KPNLF police force there (less than 200 men) could hardly have been considered a military target.

The military force of Ampil with General Dien Del and Colonel Tou Thip is now based north of Dong Ruk while Colonel Pan Thai and his "red berets" found themselves in the old Sihanoukist base of O'Ksach (which had been emptied of its previous occupants a few weeks before). A decision has been taken (and the KPNLF is indeed left with little choice) to separate the civilians and the soldiers. "It should not matter if our civilian population is under the UNHCR administration rather than under our control," said a KPNLF source. "We can always prove that we are able to manage Kampuchea once the war is over."

Until the end of 1984, one of the justifications for the existence of large border camps has been the desire of the nationalists to show the world how they would rule one day inside the country. "It will not always be easy for our soldiers to be separated from their families, but we are giving them the guarantee that they will be able to visit their relatives once in a while when they come back from inside Kampuchea for a short period of rest," the KPNLF cadre told us.

During the last months of 1984 the KPNLF various local commanders brought back most of their troops from inside Kampuchea in order to defend the border camps, a decision now bitterly regretted by many. Most military observers agree that the vast majority of the nationalist forces are presently concentrated along the border, leaving some of their network inside Kampuchea with little or no contact with the rest of the organisation. The plan today is to send a large number of the troops, now at the border, to the interior. Infiltration is still possible, even with numerous Vietnamese and KPRAF soldiers in western Kampuchea. But it is much too early to assess the result of the new strategy.

"We want quality rather than quantity," General Sak Sutsakhan

recently told his men. "The time has come to stop biting ground," he instructed some local commanders still eager to recapture a few square kilometres lost in November or December. Several thousand men are now supposed to go deep into Kampuchea to establish small bases, catch and hit some specific targets. It will take a while, and some inside the KPNLF are worried about the progress the Vietnamese and their Khmer allies could make in the meantime. But on the other hand there is no alternative. The time of the border camps is over.

No one is perfectly sure how many soldiers the KPNLF can send to the battle. The figure of 20,000 armed men given sometimes before the Vietnamese launched their attacks last year appears to be greatly exaggerated. Given the amount of weapons delivered in the past few months, 16,000 is probably realistic although the old tradition of inlaying figures with ghost soldiers could have affected some local commanders in order to receive more supply.

Casualties of the last offensive amount to at least 500 men, according to a knowledgeable source (this includes the dead, wounded and missing soldiers). No one denies that there has been some defection recently although no reliable figure seems to be available. It varies from 500 to a few thousand. Most of these men went with their families to various evacuation sites and at least some of them could be brought back into action.

The man responsible for the military future of the KPNLF is General Sak Sutsakhan. A native of Battambang, he studied at the Lycee Sisowath in Phnom Penh before joining the army in 1946, at the age of 18. He went to the prestigious French Infantry school of Coetquidan before becoming one of the youngest defence ministers of Cambodia in 1957. He joined the KPNLF in 1981 and is now the chief of General Staff and one of the two vice presidents (General Dien Del being the other).

A respected and moderate man, he was recently persuaded to return from the United States (where he went for a medical treatment) after receiving the assurance that he would enjoy the confidence and full support of the entire KPNLF leadership. Much of the burden to prove that the nationalist group is still a force to reckon with now rest on his shoulders.

INDONESIA

DEVELOPMENT OF ECONOMIC RELATIONS WITH CANADA DETAILED

Jakarta ANTARA NEWS BULLETIN in English 4 Mar 85 pp A1, A2

[Text] Jakarta, March 3 (ANTARA)--Overall, economic relations between Canada and Indonesia increased substantially over the past decade with total trade progressing from \$3 million in 1970 to \$250 million in 1983, a 10% increase over 1982's performance.

For the first eleven months of 1984 trade reached a record \$350 million. While the trade balance favours Canada, Indonesia's export performance has improved quite dramatically over the last few years with Indonesian exports to Canada up 25% in 1983 over 1982. Based on the data available up to November 1984, Indonesian exports to Canada increased a further 50% over the previous year, according to a release issued by the Canadian Embassy here recently.

In addition to the sales of DASH-7 aircraft, ships, thermal power boilers, rail and rail cars, general machinery, commercial telecommunications equipment and instrumentation, Canada's main exports to Indonesia are industrial raw materials or basic products. Primary among Canadian exports are wheat, wood pulp, newsprint, sulphur, asbestos, potash, zinc, polyethylene resins, wrap paper, aluminium, plastic and synthetic rubber, and man-made fibres.

Indonesia's main export items to Canada include rubber, plywood, textiles/garments, tea, palm oil, tin, wood products, coffee and the famous Indonesian spices.

The growth and potential of Indonesia has attracted the interest of Canadian exporters of goods and services, as well as large Canadian investments which are today estimated at well over \$1 billion Canadian dollars.

The list of Canadian firms with offices and operations in Indonesia include: Alcan, BATA, INCO, Asamera Oil, Westburne Drilling, Husky Oil, Sceptre Resources, Bow Valley Industries, Bow Valley Resources, Mainline Resources, Nordell Resources, Simmons Group, Noswco and Leross, Bank of Nova Scotia, Tecsalt International, Eurocan, Dominion Bridge, MONENCO, MCS Consultants, Canadian Pacific Consultants, ND Lea & Associates, Lavalin International Consultants and Integ.

The largest investor is INCO, which has a nickel production facility in South Sulawesi.

Canada has become further involved in the Indonesian economy through its participation in such major development projects as the Bukit Asam Coal mine project in South Sumatra and the Suralaya power development project in Northwest Java. The Bukit Asam coal will fuel the Suralaya Station from which electricity will be distributed to Jakarta and eastwards Central Java.

Efforts have also been undertaken to widen the knowledge of Canada's industrial capability throughout Indonesia and develop Canadian awareness of Indonesia's tremendous potential through various federal and provincial trade and ministerial missions, Canadian participation in the IGGI (Inter-Governmental Group on Indonesia), as well as Canadian involvement with both the Asian Development Bank and the World Bank.

By way of the Canadian International Development Agency's (CIDA) Industrial Cooperation Programme, efforts are being made to create a climate for Canadian and Indonesian small businessmen to form joint ventures and arrange for transfer of technology.

Indonesia has shown itself enthusiastic with these prospects and Dr J.B. Sumarlin, Minister of State for National Planning and Chairman of the National Development Planning Board led two investment missions to Canada in 1981 and 1982 in an attempt to introduce Indonesian businessmen to their Canadian counterparts. As a result potential Canadian investors have visited Indonesia and are investigating the feasibility of establishing joint ventures here.

Indonesia has played an important role in Canada's overall commercial strategy for Southeast Asia over the past few years and despite current world-wide economic difficulties it is expected that Indonesia will become an increasingly important trade partner for Canada. Tz-g06/OR.

CSO: 4200/678

INDONESIA

COMMITTEE SET UP TO PROMOTE TRADE WITH EAST EUROPE

Jakarta ANTARA NEWS BULLETIN in English 5 Mar 85 p A3

[Text] Jakarta, March 5 (ANTARA)--It is most important for Indonesia to boost its non-oil exports to East European countries, particularly in view of the adverse effects of the world economic recession since 1981.

This was stated by Minister Coordinating the Economy, Finance and Industry and Development Supervision Ali Wardhana on the occasion of the formation of the Committee for Economic Cooperation between East Europe and the Indonesian Chamber of Commerce and Industry (KADIN) here Monday.

He said many steps had been taken in the promotion of trade and economic relations with East European countries such as the sending of Kadin trade missions and government trade delegations to various countries in East Europe.

East European countries hoped Indonesia would increase its rubber, pepper, coffee, animal hide, rattan, tobacco, textiles, electronics, sports articles, canned food, handicraft articles, plywood, tea and cocoa exports.

East European countries, on the other hand, offered Indonesia their raw materials, auxiliary materials and capital goods.

In economic cooperation, East Europe was interested in the industrial sector, including the manufacture of machinery and equipment.

In the expansion of these relationships, the government has revoked Decree No 234 of the Minister of Trade which granted visa facilities to East European businessmen on exploratory visits to Indonesia.

Trade realisation

The realisation of trade between Indonesia and East European countries had been relatively low compared to the possibilities and potentials of the nations behind the iron curtain for entering into such relationships.

Indonesia's export value compared to those of the other Asean member countries was the lowest--standing at only US\$146.6 million in 1983, Ali Wardhana said.

Kadin General Chairman Sukamdani Gitosardjono said on the occasion that the setting up of the committee for economic cooperation between Kadin and East European countries was of vital significance to boosting Indonesia's non-oil exports.

The revocation of the trade ministerial decree allows Indonesian national private businessmen to engage in direct trade with their counterparts in East Europe.

Djukardi Odang, the committee's chairman, meanwhile said the committee will coordinate two-way trade between Indonesia and East European nations.

The ceremony was also attended by Foreign Minister Mochtar Kusumaatmadja, East European ambassadors, such as those from East Germany, Poland, Czechoslovakia, Rumania and Hungary. (TA12/J01/MS)

CSO: 4200/678

INDONESIA

# GOVERNOR ON EAST TIMOR'S DEVELOPMENT PROGRAM

Jakarta ANTARA NEWS BULLETIN in English 2 Mar 85 pp A7, A8

[Text] Dili, March 2 (ANTARA)--Governor of East Timor Mario Viegas Carrascalao has stated that the province is not too far behind other provinces in Indonesia even though development programs are carried out in the last two Pelitas (five year development plan) only.

One of the problems faced by East Timor is in the government apparatus sector, especially the one concerning the lack of staffers in charge of planning and program implementation, said Governor Carrascalao following the installation ceremony of five ranking officials of the East Timor regional administration.

Most staffers do not really possess ability and skill to carry out planning and program implementation which suit the need of the region and the people's aspiration, he stated.

As a result, development fund from the central government cannot be fully absorbed and every year there is a substantial amount of undisbursed development budgetary spending.

As an example, he said, development sector which should have been given priority is land transportation facilities such as road construction.

If the sector had been given priority, trade and economic activities in East Timor would have run smoothly.

The governor reminded that such an experience should enable regional administrators to improve and step up their performance in the future.

"To pursue progress there is no alternative for East Timor other than working hard with full discipline and spirit," the governor said.

This is very important, he stressed, because people of the region are hoping for an improving welfare through the implementation of the development programs.  
(UXM31/RI/G04/Q3)

CSO: 4200/678

INDONESIA

COL I DEWA GEDE OKA NAMED DEPUTY GOVERNOR OF BALI

Jakarta ANTARA NEWS BULLETIN in English 2 Mar 85 p A3

[Text] Denpasar, March 1 (ANTARA)--Interior Minister Soepardjo Rustam plans to install Col I Dewa Gede Oka as the first Bali vice governor on March 2.

Dewa Gede Oka is at present serving as the Badung regent for his second term of office until next October 10.

He is successful regent who leads Badung regency to receive the Parasamya Purnakarya Nugraha award (given to the successful region in development) in 1979.

Head of Bali Provincial Public Relations Bureau I Gusti Ngurah Suarsa hoped Wednesday that the vice governor would help smoothen implementation of the public administration here.

CSO: 4200/678

INDONESIA

PARLIAMENT PASSES BILL ON REFERENDUM

Jakarta ANTARA NEWS BULLETIN in English 3 Mar 85 p A3

[Text] Jakarta, March 2 (ANTARA)--Parliament (DPR) in its plenary session led by Vice Speaker M. Kharis Suhud Friday passed the bill on referendum into law.

All four factions through their spokesman presented their final considerations in connection with the bill.

FKP, the development faction, through its spokesman Prof Soehardjo said that the referendum had a unique faction because it constituted a final stage of a series of constitutional regulations which have been decided by the MPR (People's) since its first general session in 1966 up to the session in 1983.

The referendum is also an effort to solve political questions constitutionally by the reviewing of the appointment of one third of the MPR members resulting from democratic development on the basis of the state's ideology of Pancasila.

The basic goal of the referendum is to preserve and defend the 1945 Constitution and Pancasila. It is the constitutional alternative, United Development faction (FPP) spokesman Faisal Baasir said.

Therefore, he said, the FPP strongly strived for the inclusion of requirements to preserve the 1945 Constitution.

Parulian Silalahi, spokesman of the FDPI (Democratic faction) stressed that the faction along with other factions shared the opinion that article 1 of MPR's decree number IV/MPR/1983 will be firmly held.

The decree says that MPR will preserve the 1945 Constitution and will not change it and will implement it in the right and responsible ways.

Meanwhile the FABRI (Armed Forces faction) said that the referendum was in accordance with the New Order strategy in the framework to stabilize the Pancasila democracy.

The Interior Minister on behalf of the government stated that the 1945 Constitution is a basic issue for nation's life.  
(T.A.13/FIK/g04/Q12)

CSO: 4200/678

INDONESIA

# ILLEGAL IMMIGRANTS TO BE SENT TO SUMBA

Jakarta SINAR HARAPAN in Indonesian 1 Feb 85 p 3

[Text] On Tuesday 29 January six members of a team from the Directorate General of Immigration and the Department of Internal Affairs began an observation trip to West Sumba in connection with plans to relocate 1500 out of 15,000 illegal immigrants, mostly Chinese.

The Central Government Team, headed by Drs Moh. Arief, had previously met with Ben Mboi, governor of East Nusa Tenggara [NTT], in Kupang. There was no information about how long the team would visit Waikabubak, West Sumba.

Meanwhile, Drs Fabi Latubarata, head of NTT public relations, in response to questions from SINAR HARAPAN, revealed that the head of the team, Drs Moh. Arief, in his meeting with Governor Ben Mboi, had explained that the central government would temporarily relocate illegal immigrants, whom they had not been able to expel, to the villages of Kondamaloba and Malinjak, in Katikutana county, West Sumba.

In the first stage, the pressing need is to relocate 1500 families (5000 people) out of 12,500 to 15,000 families in a period of time which cannot yet be determined.

## Sufficient Potential

Latubarata said that West Sumba is an area with great agricultural potential; it is hoped that the immigrants will be able to cultivate the agricultural land provided by the government.

Because they will be placed there temporarily, each family will be given 1/2 hectare of land to work. For this purpose the team has asked the governor for 50 square km of land.

To speed up communications and supervision in that area, plans are to build an emergency airport and satisfactory ground transportation facilities.

The team will look at the villages of Kondamaloba and Malinjak and other locations, such as Goura in Lamboya, Kodi county. It is hoped that these places will be able to receive up to 15,000 Chinese families from Refugee Center 10 Year 1959 [as published] or foreigners who have entered Indonesia and/or reside in Indonesia illegally and have not yet been expelled from Indonesian territory, in accordance with Presidential Decision No 5 of 1982.

## Repayment

Drs Fabi Latubarat said that thanks to an approach from the local government, the people in the area have stated their willingness to receive the new arrivals. He also said that the governor had asked the team to pay attention to local customs, to problems of obtaining land and to repayment for crops and burial sites so as not to cause unrest.

Quoting Presidential Decision No. 5 of 1982, Latubarata said that the NTT local government was aware of the central government's problems with those foreigners. Therefore, it was determined to provide aid in line with conditions in the area.

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CSO:4213/163

INDONESIA

FOREIGN PRIESTS STILL ALLOWED TO WORK HERE

Jakarta ANTARA NEWS BULLETIN in English 1 Mar 85 p A2

[Text] Jakarta, March 1 (ANTARA)--Foreign clergies are still allowed to work in Indonesia, Maj Gen Sukisman from the Coordinating Board of State Intelligence (Bakin) said before a meeting of foreign Catholic priests here Thursday.

Maj Gen Sukisman said the current national development plan is intended for human development of each Indonesian. And the government of Indonesia, especially, greatly appreciates the foreign priests who give their services which the Indonesians themselves have possibly had little awareness of the remote places.

He admitted spiritual development cannot be measured in a way one measures physical development. Therefore, in the current Pelita IV (fourth Five-year Development Plan, 1985-1989) study and development of religions are given adequate attention.

Touching on the status of foreign priests in Indonesia, Sukisman said that they are considered as "foreign workers." However, special regulation is imposed on them.

A foreign priest may apply for a permanent residency in Indonesia. They may also go out of and come again into the country, or leave the country for good if they want to. "A foreign priest is not forced to become an Indonesian citizen," he stressed.

Speaking on aid for religious activities, Sukisman said it may be sent into the country like foreign priests. However, it must have entrance permit from the ministry of religion and be used solely for religious activities.

The foreign priest regulation has been issued for the intention of protecting the Indonesians, for example, in term of employment. In Indonesia, efficiency and technology are sometimes put aside for the way of providing more job opportunities.

The Catholic foreign priest meeting held on the theme "stepping up Catholic foreign priests' participation in promoting the national development" was organised by the directorate general of Catholic mass guidance of the ministry of religion.

(T.RBS/NS/YOS/MS).

CSO: 4200/678

10 April 1985

## INDONESIA

## HMI ATTITUDE TOWARD PANCASILA CLARIFIED

Jakarta PELITA in Indonesian 7 Feb 85 pp 1, 7

[Text] From the start the HMI [Islamic Students Association] has never questioned PANCASILA [Five Principles of the Nation] as the sole basis for building and defending the life of the nation. From the beginning of its existence that determination has been part of HMI itself. This was stated by H. Harry Azhar Aziz, general chairman of HMI's Executive Board, at HMI's 38th anniversary Evening of Friendship held yesterday at HMI's Jakarta office on Cilosari Street, Cikini, Jakarta.

The chairman said that this was in accordance with HMI's bylaws as stated in its Mukaddimah [preamble]. The Mukaddimah affirms that HMI is determined to realize the values of one God, a just and civilized society, a democracy led by consensus and representation, and social justice for all Indonesians, all in the framework of obedience to Allah, SWT [praiseworthy and respected].

This contains the belief that every effort to carry out one's obligations among the people and in the nation finally must be responsible to the Creator. It is the determination to realize these values--the values of PANCASILA--which forms the basis of HMI's Indonesian social aspirations.

In another part of his speech Aziz said that commemorating HMI's founding was increasingly important. "We are not merely repeating a story out of history or remembering the times that this organization has gone through in 38 years; we will and must continue to step forward and commit ourselves to realizing our hopes for creating a just and prosperous society based on PANCASILA, which has received the blessings of Allah, SWT," he said.

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CSO:4213/163

INDONESIA

NO MORE STATE UNIVERSITIES TO BE SET UP

Jakarta ANTARA NEWS BULLETIN in English 5 Mar 85 p A8

[Text] Jakarta, March 5 (ANTARA)--The government has decided for the time being to stop establishing more state higher learning institutes both in the form of universities and institutes, Higher Learning Director General Prof Sukadji Ranuwihardjo said here Tuesday.

The government is now more engaged in the qualitative improvement of higher education.

However, he singled out polytechnics the number of which will be increased from four to 26 in the current Fourth Five Year National Development Plan (1984-1989). New ones will be built in areas with an urgent need of such specialized training centres, he said.

Student doubled

As regards the number of students, Sukadji said the government intended to double the total number by the end of the Fourth Plan.

There are now about 800,000 students studying at the different state and private institutes of higher education in Indonesia.

The government in this context is also preparing 14,000 more teachers.

Indonesia has now 44 state universities and higher learning institutes in addition to approximately 400 private colleges.

No state university has been built in East Timor, Indonesia's youngest province. The government will be building a polytechnic in the former Portuguese colony.

TA01/J01/Q3)

CSO: 4200/678

INDONESIA

PLYWOOD INDUSTRY DEVELOPMENT REPORTED

Jakarta HARIAN UMUM AB in Indonesian 6 Feb 85 pp 1, 2

[Text] Minister of Forestry Soedjarwo stated that in 1985-1986 the installed capacity of the plywood industry will be increased by 70 percent and of the sawn log industry by 50 percent. In addition, the quality of forestry products will be developed and seedling production and marketing centers will be constructed. The skills of 290 officials who supervise felling and exploitation will be developed.

In a working meeting yesterday morning with Commission IV of the DPR-RI [Republic of Indonesia Parliament], Soedjarwo revealed that although the world market for plywood is still affected by the worldwide economic situation--still suffering from a recession--market conditions are considered good for the future.

He admitted that at the moment Indonesia's traditional markets for plywood--in Asia (especially Japan), the Middle East, the EEC and the United States--are still not showing signs of improving. Even so, prospects are still good, considering Japan's readiness to lower its import duty on plywood to the same level as the import duty on American softwood plywood, as indicated by the Keidanren in their recent meeting with the Indonesian Chamber of Commerce and Industry.

In addition, the minister said, efforts are being made to expand sales to the socialist countries of eastern Europe; the government is also facilitating any efforts to increase the export of nonoil commodities. Accordingly, the minister considers that future projects for exporting plywood will continue to be very good.

The minister told exporters and plywood dealers not to carry out a policy of dumping with their fellow exporters because this could weaken the bargaining position of marketing plywood abroad.

Enough Raw Materials

In response to a question from a member of Parliament, Soedjarwo affirmed that potentially there are enough raw materials for the plywood industry. The problem is regulating the supply of logs; to overcome it, the government has issued a policy about HPH [Forestry Industry Rights] Associations and the Forestry Products Processing Industry in line with forming a Productive Forests Enterprise Unit (Minister of Forestry decision No 195/Kpts[decision]-IV/1984, dated 13 October 1984). In addition, the Department of Forestry is also making plans to develop a logging commodity exchange.

INDONESIA

JAPAN'S INABILITY TO LOWER PLYWOOD TARIFFS EXPLAINED

Jakarta ANTARA NEWS BULLETIN in English 5 Mar 85 p A10

[Text] Jakarta, March 5 (ANTARA)--Japanese Ambassador to Indonesia Toshaki Muto has again requested understanding from Indonesia that Japan's 17 percent import duty on Indonesian 6 mm plywood cannot be lowered to 15 percent as expected by Indonesian plywood exporters.

Ambassador Toshaki Muto made the request when meeting Forestry Minister Soedjarwo Tuesday.

Muto said the tariff on Indonesian plywood below 6 mm thickness is an optimal decision that is taken by the government in efforts to help its domestic plywood industry.

"If the present tariff is lowered further, many private plywood manufacturers will object to the policy," he added.

The meeting between Ambassador Toshaki Muto and Forestry Minister Soedjarwo also discussed ways of stepping up cooperation between the countries, among others, in the fields of timber estate, afforestation and supplies of raw materials for the Cilacap-based pulp plant.

The two parties also discussed the joint projects which have been completed, such as feasibility studies on development of Marunda seaport in Jakarta, development of basin areas, the Musi river in South Sumatera, and development of natural silk in South Sulawesi. (TAO7/SAL/GO4/MS).

CSO: 4200/678

INDONESIA

LAND REHABILITATION DESCRIBED

Jakarta PELITA in Indonesian 8 Feb 85 pp 1, 2

[Text] Efforts being carried out under PELITA [5-Year Plan] IV to reforest and rehabilitate land in order to preserve and increase the productivity and functions of forests, soil and water are a continuation and revamping of PELITA III's development projects.

At a hearing of Commission IV of the DPR-RI [Republic of Indonesia Parliament] on the 1985-1986 APBN [national budget], held yesterday morning in the Parliament Building, Eng Wartono Kadri, director general of land reforestation and rehabilitation [RRL] of the Department of Forestry, made this statement.

The task of the RRL directorate, in the framework of preserving and increasing the productivity and functions of the forests, soil and water, is to carry out land reforestation and rehabilitation, based on policies determined by the minister of forestry.

Technical execution units--11 offices for land rehabilitation and conservation, two offices for reforestation technology, one office for seedling technology, one office for river catchment area management technology and one office for natural silk technology--have been formed under PELITA IV in order to improve coordination, training and guidance.

Situation and Problems

Wartono Kadri said that at this moment there are an estimated 43 million hectares of unproductive land and land in a critical condition; this amount is increasing by 500,000 hectares a year as a result of uncontrolled farming and logging.

As an example, the director general of RRL mentioned that under PELITA III plans were to pay for regreening 936,933 hectares and for reforesting 431,035 hectares from sources of aid for such projects. For the first 4 years of PELITA III, 1979-1980 up to and including 1982-1983, 584,340 hectares had been regreened and 106,019 hectares had been reforested. This represents 70.9 percent and 29.9 percent respectively of the plans for crop successes, 50.1 percent for regreening and 54.4 percent for reforestation.

Plans for 1983-1984 are to regreen 106,019 hectares and to reforest 72,283 hectares. This represents a 67.6 percent progress in regreening and 35.3 percent in reforesting.

In general, said Wartono Kadri, those natural resources that have been destroyed and those that are in a critical condition, the target of preservation efforts, have not decreased much since PELITA III. This is mainly due to the development of new critical areas almost as large as the areas which have been rehabilitated.

The level of growth, socioeconomic conditions and society's living standards have created new critical areas both outside and inside the forests, since they increase the need for forest, soil and water resources and for forestry products, especially wood.

Efforts at reforestation and rehabilitation during PELITA III were directed at the physical rehabilitation of critical areas. Efforts at prevention and control, via the socioeconomic aspects of the situation and via concerted efforts to raise productivity, were flawed and the destruction continued, said the RRL director.

Wartono Kadri said that reforestation and rehabilitation face basic problems which have made it impossible to reach optimal results. These are ineffective and inefficient project management and unsatisfactory progress, skills and quantity and quality of implementation. In addition, the support systems, infrastructure and funding were unsatisfactory; land management and regulations did not fully support or had not looked closely at patterns of forestry management in accordance with the main goals of the projects.

#### Ex-HPH Areas

In response to questions from Commission IV at a hearing led by deputy chairman Imam Churmen from the United Development Faction about programs for regreening, rehabilitating and replanting ex-HPH [forestry industry rights] areas in the 1984-1985 fiscal year, Wartono Kadri said that in line with PELITA IV through VI's plans, projections are to reforest and rejuvenate 17.9 million hectares in productive forest areas. This covers the reforestation and rejuvenation of 13.5 million hectares of ex-HPH areas, and the development of 4.4 million hectares of commercial plantings, both inside and outside the HPH areas.

In addition, it is hoped that the development of commercial plantings can increase the productivity per hectare so that the need for raw materials does not fully depend on natural forests. In that way, natural forests can in the end be used and still be preserved.

In 1984-1985, the reforestation and rejuvenation of 44 ex-HPH logging areas--about 44,500 hectares so far--in 11 provinces, was funded by the Guarantee Fund for Reforestation and Rejuvenating HPH Areas. In addition, a crash program to develop Commercial Planting Forests in three provinces has covered five HPH areas totalling 9,500 hectares.

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CSO:4213/163

INDONESIA

DOMESTIC UREA FERTILIZER MEETS NATIONAL NEEDS

Jakarta KOMPAS in Indonesian 9 Feb 85 p 2

[Text] All of Indonesia's needs for urea fertilizer can now be satisfied by domestic fertilizer production. This was made possible by the startup of the PIM (Iskandar Muda Fertilizer) plant in Aceh. The first shipment of urea fertilizer, from PIM's Lhok Seumawe docks to the port of Belawan, Medan, took place last Thursday [7 February].

At the ceremony, Mrs Haji Thayeb, wife of the governor and head of state of the Aceh Autonomous Region, cut the mooring of the ship Mochtar Prabu Mangkunegara. Present at the ceremony were Eng Sidharta, director general for basic chemical industries of the Department of Industry, and local officials.

This first shipment shows that PIM has begun production and that its capacity has reached 570,000 tons a year. With this additional production Indonesian urea fertilizer production has reached 3.5 million tons a year. This is just 78 percent of Indonesia's present productive capacity. Meanwhile, domestic needs are only 3.1 million tons, so that there is a surplus of 400,000 tons. Other fertilizer plants in Indonesia are in Palembang, Cikampek and Bontang (East Kalimantan).

Eng Sidharta suggested that PIM's fertilizer be shipped to the ports of Tanjungpriok and Cilacap as well as to the port of Belawan; those ports have the facilities to take in fertilizer.

Hadi Thayeb, governor of Aceh, suggested that for the 2.7 million people of Aceh, most of whom work in the low productivity agricultural sector, the PIM plant has a big significance.

The fertilizer will increase the productivity of Achinese farmers. The governor also hopes that the distributional system works smoothly and properly so that the PIM plant will be able to speed up efforts to raise agricultural production.

Indonesian Workers

PIM began construction in 1982. The PIM plant was built entirely by Indonesian workers from Reyakasa Industry, Inc., a government company. Because it was built by domestic contractors, construction costs, planned at \$424 million, were only \$335 million (about 365.8 billion rupiahs).

Eng Winardi, construction manager for Reyakasa Industry, Inc., said that keeping down costs did not mean decreasing quality. Costs were kept down because the domestic contractor was able to pay domestic skilled workers less than foreign skilled workers. In addition, domestic contractors use a lot of domestically produced supplies, such as structural steel and piles, which are cheaper.

PIM is a duplicate of the ASEAN fertilizer plant located next to it. The only difference is that whereas the ASEAN plant was both designed and built by Toyo of Japan, the PIM plant was only designed by that Japanese company. It took the Reyakasa Industry, Inc. 3 months less than planned to build the plant.

The plant and its docks are located on 144 hectares of land. The 162-hectare residential area consists of 300 houses for the staff and a dormitory. Construction costs came partly from a Japanese export credit of 44 billion yen, partly from a BNI [Indonesian State Bank] credit of 83.2 billion rupiahs and partly from 26.2 billion rupiahs of capital from Pusri, Inc.

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CSO:4213/163

10 April 1985

## INDONESIA

## EXPORTS OF CRUDE, OIL PRODUCTS IN 1984

Jakarta ANTARA NEWS BULLETIN in English 1 Mar 85 p A5

[Text] Jakarta, March 1 (ANTARA)--The export of crude oil and other oil products in the first ten months (January through October) of 1984 recorded an increase of about eight percent compared with the corresponding period in 1983, according to temporary data obtained by ANTARA from Bank Indonesia Friday.

The export of crude in the first ten months of 1983 recorded a value of US\$9,545 million, while the corresponding period in 1984 US\$10,299; an increase of US\$754 million or about eight percent.

The proceeds from the (ten months of) 1984 export were as follows: Pertamina US\$4,407 million; foreign oil companies based on working contracts US\$108.39 million and based on production sharing US\$5,784 million.

The biggest earnings were recorded in May (US\$1,151 million), followed by the April (US\$1,094 million) and June (US\$1,061 million) earnings.

Increase of 41 percent in LNG exports

Indonesian liquefied natural gas (LNG) exports recorded in the first eleven months (January through November) of 1984 a value increase of 41 percent, compared with the corresponding period of 1983.

The export value of Indonesian LNG in the first 11 months of 1983 stood at 2,247 million while the same period of 1984 at US\$3,159 million, an increase of US\$912 million or 41 percent.

The Indonesian LNG exported during the period came from the Badak field (US\$1,578 million) and from the Arun field (US\$1,581 million).

Complete data of Indonesian crude oil and LNG exports from January through November 1984 are as follows:

<u>1984</u>	<u>crude oil:</u> <u>(in thousands of dollars)</u>	<u>LNG:</u>
January	1,027,785	255,739
February	997,424	301,693
March	1,032,175	280,894
April	1,093,587	297,327
May	1,150,940	241,731
June	1,060,834	270,459
July	1,001,121	283,504
August	1,042,746	323,257
September	961,653	278,581
October	930,922	324,551
November	---	301,564

(TA-11/G08/MS).

CSO: 4200/678

INDONESIA

JACKSON, OTHER COMPANIES TO EXPLORE FOR OIL

Jakarta ANTARA NEWS BULLETIN in English 5 Mar 85 p A1

[Text] Seoul, March 5 (ANTARA/Reuter)--Jackson Exploration Inc of the United States will explore for oil in Adang Field, Indonesia, with two Korean and two British firms, one of the Korean participants, (Lucky-Goldstar International Corp) said.

The joint venture involves drilling three test wells this year and one each in 1986 and 1987, at the field in East Kalimantan, a Lucky-Goldstar spokesman said.

The project will cost a total of US\$61.18 million, he added.

The joint venture was set up when Jackson, which won exploration rights at the field in 1982, sold 25 pct equity each to British Petroleum Co Ltd and Imperial Chemical Industries Ltd. Lucky-Goldstar bought an 18.75 pct stake in the venture and the Korea Petroleum Development Corp (PEDCO) 6.25 pct, the spokesman said.

The partners will share 15 pct of the oil production if commercial deposits are found, with the remainder going to Indonesia, industry sources said.

Jackson and the British companies have formed local subsidiaries for the venture, the spokesman added. (U/J01/MS).

CSO: 4200/678

INDONESIA

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

COLONEL PRANOWO—The position of commander of the Presidential Guard was transferred on 31 January from Brigadier General Sardjono to Colonel (Military Police Corps) Pranowo at the Presidential Guard headquarters parade ground at Tanah Abang in Jakarta. Colonel Pranowo had previously been commander of Military Police in Military Region V/Greater Jakarta, while Brigadier General Sardjono will be assigned to new duties as chief of the Central Office of Military Police. [Text] [Jakarta KOMPAS in Indonesian 1 Feb 85 p 12] 5170

BRIG GEN BAMBANG SOEJARTO—The post of director general of customs and excise, presently held by Brig Gen (Retired) Bambang Soejarto, will be turned over to the minister of finance on 12 February 1985. This was stated by the Community Relations Service of the Department of Finance on 8 February in Jakarta. With this change in office Bambang Soejarto will only have held the post of director general for 1 year and 5 months. He was installed in office as director general of customs and excise on 29 August 1983, replacing Lieutenant General (Retired) Wahono. Bambang Soejarto was born in Yogyakarta 56 years ago. He holds a bachelor's degree in English and is a graduate of the Institute for Administration and the State Administrative Institute [STIA-LAN]. Other training he has had included the Army Staff and Command School, the National Defense Institute, military schools in the Soviet Union and the United States, and a seminar on international peace keeping. Before serving as director general of customs and excise, Bambang Soejarto had served under the Department of Defense and Security as deputy commander of the Medan Artillery Center, as deputy commander of a task force in the Security and Order Command [KOPKAMTIB], and as a senior officer in the Intelligence Section of the Department of Defense and Security. His military career in Indonesia included successive assignments as a combat commander during the war of independence, in operations to suppress the Territory of Islam/Indonesian Islamic Army [DI/TII] in West and Central Java, in the suppression of the Revolutionary Government of the Republic of Indonesia/Charter of Universal Struggle [PRRI/Permesta] in Sumatra, and in the suppression of the Indonesian Communist Party uprisings in Madiun [East Java, in 1948] and the G30S/PKI [abortive communist coup d'etat in 1965]. He also

served as commander of the Indonesian peace keeping contingents in Vietnam and in the Middle East. [Excerpts] [Jakarta KOMPAS in Indonesian 9 Feb 85 pp 1, 12] 5170

LT GEN KAHPI SURIADIREDA--Lt Gen (Marine Corps) Kahpi Suriadiredja was installed in office on 21 February as the commanding general of the Indonesian Armed Forces Academy, replacing Lieutenant General Moergito, the former incumbent. Lieutenant General Kahpi stated on this occasion that he would continue to serve as commander of Defense Area IV (Maluku and Irian Jaya Provinces) until that defense area is abolished in April 1985. Lieutenant General Kahpi (54 years old) is the first Marine Corps officer to become commanding general of the Indonesian Armed Forces Academy. He is a graduate of the Navy Academy at Den Helder in the Netherlands and has attended Marine Corps training in the United States. Before becoming commander of Defense Area IV nearly 2 years ago, Lieutenant General Kahpi was commanding general of the Marine Corps. [Excerpts] [Jakarta SINAR HARAPAN in Indonesian 21 Feb 85 pp 1, 12] 5170

ENGR H. M. SAID--Minister of Home Affairs Soepardjo Rustam, in the name of the president, will install Engr Haji Mochammad Said in office on 25 February as governor of South Kalimantan for the period 1985-1990. Engr H. M. Said, who had previously been deputy governor of South Kalimantan, replaces the late Maj Gen (Retired) Haji Mistar Tjokrokoesoemo, who died on 22 September 1984 of an undisclosed illness. Following the death of Governor Mistar, Engr H. M. Said was designated by the minister of home affairs as acting governor of South Kalimantan until the installation in office of a definitive governor. Before becoming deputy governor of South Kalimantan Engr H. M. Said, who is a graduate of the Faculty of Technology of the University of Gadjah Mada, was chief of the Development Bureau of South Kalimantan Province. [Excerpts] [Jakarta SUARA KARYA in Indonesian 25 Feb 85 p 6] 5170

CSO: 4213/180

INDONESIA

BRIEFS

PULAU GALANG REFUGEE CAMP--Indonesia has no intentions of closing Pulau Galang, a refugee center for Indochinese refugees. For humanitarian reasons Pulau Galang will remain open for as long as is necessary. Foreign Minister Mochtar Kusumaatmadja made that statement to the press on Monday [4 February] at the Ministry for Foreign Affairs in Pejambon, after 1 and 1/2 hours of official talks and lunch with UN Secretary General Javier Perez de Cuellar. Mochtar said that Secretary General de Cuellar had thanked the Indonesian government for their readiness to keep Pulau Galang open as a refugee center for Indochinese refugees. He explained that there are still about 10,000 Indochinese refugees, mostly from Vietnam, on Pulau Galang. About 4,000 of them are being processed to move to a third country; the remaining 6,000 are staying there at Indonesian expense, with additional support from the UN. [Text] [Jakarta HARIAN UMUM AB in Indonesian 5 Feb 85 pp 1, 8] 9846

CSO: 4213/163

MALAYSIA

MCA, GERAKAN URGED TO TREAT IMMIGRANT PROBLEM CAUTIOUSLY

Selangor KIN KWOK DAILY NEWS in Chinese 23 Jan 85 p 2

[Text] Lim Kit Siang, secretary general of the Democratic Action Party [DAP], today issued a public statement urging the Malaysian Chinese Association [MCA] and Malaysian People's Movement [GERAKAN] to treat the problem of Indonesian illegal immigrants cautiously. He also requested the cabinet to adopt measures to control and deport the illegal immigrants.

According to the statement, leaders of both MCA and GERAKAN parties have realized the serious problems caused by the presence of Indonesian illegal immigrants following the murder of Loo Pin Leang, eldest son of Loo Seao Heong [MCA Acting President Datuk Neo Yee Pan's special assistant in Johore state], which was allegedly committed by some Indonesian illegal immigrants.

The statement also pointed out: "Cabinet ministers representing MCA and GERAKAN should wake up from their dreams and infightings, and spend some meaningful time to solve problems which affect the people's welfare." It asked the cabinet to take firm action in dealing with the long-standing problem of Indonesian illegal immigrants by curbing their influx into Malaysia and deporting thousands of them.

Lim Kit Siang indicated that last month he suggested that a round table conference be held among leaders of the MCA, GERAKAN and DAP to discuss the issues of the San Poh Hill incident and Indonesian illegal immigrants, but he was rebuffed by those elements of GERAKAN and the Federation of Chinese School and Trustees Associations who have been yelling "Three-in-One Combination" at the top of their lungs.

At the same time, Lim added, if MCA and GERAKAN leaders are reluctant to handle the people's problems vigorously, then anytime Indonesian illegal immigrants commit the most grave crimes of murders and rapes, the public will be reminded of the impotence and failure of the above-mentioned two parties in our political arena.

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CSO: 4205/21

MALAYSIA

INDONESIAN ILLEGAL IMMIGRANTS BRANDED PUBLIC ENEMY

Selangor KIN KWOK DAILY NEWS in Chinese 23 Jan 85 p 3

[Excerpts] Tee Ann Chuan, president of the Chinese Youth Federation Movement [CYFM] today urged the government to form immediately a nationwide military police special task force to ban Indonesian illegal immigrants' operations, arrest and deport them, in addition to branding them the No 2 public enemy after narcotics.

The Indonesian illegal immigrants have violated the law and committed crimes, looting and on the rampage all over the country. They have infuriated the general public to the unbearable limit. Like fierce floods and savage beasts, they have not only seriously threatened public peace and order, but indirectly ruined our interracial goodwill and understanding as well.

The crimes and misdemeanors they have committed in the past few years are innumerable.

At the moment, there is no accurate figure about the number of Indonesian immigrants who have illegally slipped into our country, although it is usually estimated to be between 300,000 and 700,000 people. Their clandestine entry into our country is in itself a violation of our immigration law and territorial dignity, for which they ought to be rounded up and deported forthwith. However, from 1981 until June 1984, our Immigration Bureau deported only 10,142 Indonesian illegal immigrants. Why is the efficiency rate so dismal?

Apart from urging the government to set up immediately a special task force to counter the actions of Indonesian illegal immigrants, the CYFM also proposed that the government strengthen the marine police force of the Malacca Straits. According to our understanding, the overwhelming majority of the illegals make a dash by speedboat from various isles in Sumatra to the Malacca Straits and, after evading the Malaysian marine police, land along the coasts of Malacca and Muar.

The CYFM sincerely advised the government to adopt vigorous measures forthwith to control Indonesian illegal immigrants, otherwise "to tolerate evil is to abet it," and one day the dam might be broken beyond repair, thereby shaking the foundations of our state!

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CSO: 4205/21

MALAYSIA

COMMENTARY DISCUSSES ETHNIC CHINESE VIEW OF MCA

Selangor KIN KWOK DAILY NEWS in Chinese 31 Jan 85 p 2

[Commentary]

[Text] There is no denying that the political and economic position of ethnic Chinese in this country has been declining with each passing day, especially after the "13 May Incident." Not that we are unaware of this state of affairs, but it's because they are unable to make vigorous efforts to turn the tide, so what can we do?

Generally speaking, at the present moment the ethnic Chinese have two views of the Malaysian Chinese Association [MCA]--one negative, the other positive.

The pessimists maintain that in the past when the MCA tried to fight for Chinese rights and interests, its attitude was so timid that it invariably failed to make Chinese society feel satisfied with its performances; the party looked impressive but lacked real worth, and a number of people cast their votes in favor of an opposition party as a sign of protest.

The optimists believe that it is the worst thing to adopt a negative and pessimistic attitude, for this will eventually run its course and lead us to a point where we won't be able to stand up. On the other hand, if the Chinese adopt a positive attitude and everybody contributes to a common purpose, perhaps some harvest can be reaped.

If the ethnic Chinese are willing to weigh up the pros and cons of these two attitudes, we believe that they can have a fresh outlook toward the MCA.

Again, at present it is not easy to found another uniracial political party to replace the MCA. The Malays have their United Malays National Organization [UMNO], the Indians their Malaysian Indian Congress [MIC] and the Chinese their MCA--this is an ideal political structure. If we want to waste a lot of time in search of a replacement of the MCA, it is better for us to think hard on how to make the MCA strong and powerful enough to fight for Chinese rights and interests.

Although the MCA infighting has saddened Chinese society, we believe that this problem will be solved within the short period, after which the

MCA will hopefully emerge with a new image and once again give meaningful contributions to the Chinese community.

After its factional war is over, it is incumbent upon its leaders to review coolly whether the line and policies adopted by the party in the past were effective, and at the same time to seek new lines, principles, and policies for the fundamental rights and interests of the Chinese people.

One important thing is that the MCA should proclaim a new statement as a token of promise to Chinese society. This declaration must coincide with the wishes and aspirations of the majority of the Chinese people in order to win their full support of the party's struggle,

The MCA is a political party, and it must live forever. Its leaders may come and go, but as long as it abides by its declaration of purpose, we believe that the party will win the support of the majority of the Chinese people.

In conformity with the needs of the times, the MCA should cultivate a batch of learned, young leaders to become successors of the party. The organization of a party needs three phases of people: experienced, senior party members; capable and learned young members; and new blood. With the collaboration of these three elements, the party can give full play to its role and function for a protracted period.

A good case in point is the People's Action Party of Singapore, which is led by Lee Kuan Yew.

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CSO: 4205/21

MALAYSIA

LIM KENG YAIK ON MCA-GERAKAN TALKS

Selangor KIN KWOK DAILY NEWS in Chinese 29 Jan 85 p-2

[Text] Datuk Dr Lim Keng Yaik, national president of the Gerakan Rakyat Malaysia (GERAKAN) [Malaysian People's Movement], today said that his party is prepared to hold a cooperative meeting with National Front member parties, particularly the Chinese Malaysian Association [MCA], and even the Democratic Action Party [DAP] would be welcome, if it were willing.

He said that the GERAKAN's Central Committee has entrusted the party's president and central working committee to hold negotiations with the MCA and other National Front member parties for the purpose of promoting mutual cooperation in the interests of our national political situation as a whole.

Dr Lim reaffirmed that if an occasion should arise in the future to discuss the possibility of a merger, and if the parties concerned are willing to follow the GERAKAN's multiracial and Malaysian policies, then GERAKAN will agree to the merger.

Dr Lim made the above remarks at a press conference today, during which he also announced that Datuk Michael Chen Wing Sum and Datuk Dr Goh Cheng Teik were appointed members of the party's Central Committee.

He said that he has briefed the Central Committee about the talks now in progress with MCA leaders aimed at closer cooperation between the two parties.

He assured the Central Committee that GERAKAN is not a purely Chinese movement, but a party which aims at cooperation with other political parties of common objectives.

He pointed out further: "Now that we have solved our internal problems, we are a Central Committee capable of making mature and positive decisions for our party's consolidation and greater contribution to our country."

In view of the above-mentioned facts, and consolidated after the party's election, the GERAKAN is prepared to negotiate with other parties, especially the MCA, to coordinate the objectives and establish a closer relationship among the parties concerned, thence to adopt collective and positive actions to solve

the numerous problems confronting our country, and to march vigorously toward the goal of a just, Malaysian society.

"Consequently, we are hoping to see a positive reaction coming from the MCA leadership and to continue our talks with them."

With respect to the question of merger, Dr Lim reaffirmed that this cooperation must have a multiracial nature. As to whether it would be possible for the GERAKAN to merge with the MCA, he said: "I say it's possible, because I feel that more and more people believe a multiracial political party can best serve the rights and interests of all quarters."

He added that only within this framework of pluralistic concept can such talks be held. He would not elaborate further on the merger issue.

He indicated that for the moment, everybody is talking about cooperation, but not reaching the signing of a merger agreement yet. As regards a GERAKAN-MCA merger, he said: "What I mean is talks. It's still too early to tell you about the reaching of an agreement. I hope we can continue talking with MCA."

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CSO: 4205/21

MALAYSIA

# PAPER COMMENTS ON SETTLEMENT OF MCA CRISIS

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 31 Jan 85 p 20

## [Commentary]

[Text] After more than 10 months of squabbling, the infighting within the Malaysian Chinese Association [MCA], described as the most serious crisis in the party's 30-odd years' history, was settled yesterday.

The two contending factional leaders, Datuk Neo Yee Pan and Tan Kon Swan, JP, signed a joint agreement one after another in the presence of Datuk Sri Dr Mahathir, prime minister and chairman of the National Front, and Gafar Baba, the National Front's secretary general.

The main points of the agreement include the following: Drop all suits submitted to the court during the infighting period; restore the memberships of those persons expelled or suspended from the party; a promise by Datuk Neo Yee Pan that there will not be any more expulsion or suspension of members, barring those who commit big blunders; after a speedy election in the party's branches and divisions, the annual general assembly of the MCA is scheduled to be held before 31 May this year.

In addition, both sides agree that they will support the candidates jointly nominated by them for the party's leadership level in the coming central election. These candidates are: Datuk Neo Yee Pan as the party's president, Datuk Mak Hon Kam as deputy president, Tan Sri Chong Hon Nyan as vice president, Tan Koon Swan, JP, as vice president, Datuk Chin Hon Ngian as vice president, Datuk Tan Seng Sin as vice president, Datuk Lee Kim Sai as leader of MCA's Youth Wing, and Rosemary Chong as chairman of MCA's Women Division. At the same time, both sides agree to approve the 37 people elected to the Central Committee.

From the joint agreement, it can be seen that both Neo and Tan have made big concessions, an indication that they have succumbed to the pressures exerted by Prime Minister Dr Mahathir and Deputy Prime Minister Musa Hitam. It may be recalled that not long ago Musa Hitam proposed that the MCA temporarily leave the National Front coalition, while Dr Mahathir ordered both Neo and Tan to resolve the MCA crisis within a short period. If it had not been for these frightening pressures, it would have been impossible for the current MCA

leadership, including the Neo and Tan factions, to settle the crisis through negotiations within a short period. All this is really the biggest tragedy of the ethnic Chinese political parties, a condition which makes Chinese society sigh with emotions of shame and anger.

After experiencing a great disaster lasting 10 months and 11 days, the MCA is badly broken, with public feeling toward it all collapsed. Under such a situation, it is really difficult for the public to believe that MCA members can band together for full unity and cooperation on the strength of a paper agreement. Nevertheless, the prevailing objective and subjective conditions still demand that both MCA factional leaders bury the past and do their utmost to promote unity and cooperation within the party in order to restore the near-collapse trust of the Chinese public toward the MCA.

Now is definitely not the time to assess who won or who lost in the factional war, or who are in the National Front's good graces, because such comments would not only be disadvantageous to the restoration of MCA's vitality, but also run counter to the basic aspirations of Chinese society. Now that both factional leaders have agreed to support the candidates for the party's Central Committee in the coming election, Neo Yee Pan and Tan Koon Swan should not, at this stage, try to consolidate their personal authority by expelling "outsiders."

During a struggle for power in the past or even in modern times, it often happens that a contender tries to get rid of those who hold a view different from his own. Yet, although the victor may temporarily behave like a tyrant and distort the facts by hook or by crook, history will eventually set the true record straight.

The leadership of MCA should learn from the style and experience of the Malaysian People's Movement [GERAKAN] concerning how it dealt with its factions and opponents in the past. Whether the MCA leadership is willing or not willing to make an effort along this line will depend on the wisdom of Neo Yee Pan and Tan Koon Swan.

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CSO: 4205/21

NEW CALEDONIA

REFERENDUM SITUATION SEEN FLUID, HIGHLY CHARGED

Anti-Independents Tout Referendum

Paris LE MONDE in French 27 Feb 85 p 9

[Article by Frederic Filloux]

[Text] Dick Ukeiwe, RPR senator and president of the territorial government of New Caledonia, told France-Inter radio on the morning of Tuesday 27 February that he was "in complete agreement" with a proposal by Jacques Lafleur, a territorial RPR deputy, for an archipelago-wide referendum so long as the government does not back the initiative. This vote -- which Ukeiwe does not think would be illegal in that it would be analogous to a local-initiative referendum -- could be held, he says, by 15 April. The issue of the referendum, he said, would be approval or rejection of the plan Ukeiwe introduced in the Senate on 25 January last.

In Ukeiwe's view, "No responsible Caledonian political figure can sit down at the table with Edgard Pisani," who, according to him, is "thoroughly discredited and disqualified." Were he to agree to talks with the government's delegate, the territorial governor believes, he "would lose the confidence of Caledonians," whose reaction, he says "would be uncontrollable." After calling Pisani "a barrier to dialogue," Ukeiwe said he is willing to talk with President Mitterrand or Prime Minister Fabius. Indicating that he is "prepared to engage in dialogue with anybody, even the Socialist Kanak National Liberation Front (FLNKS), Ukeiwe nevertheless laid down one condition: it must be "dialogue about my plan, and not about any form of independence whatsoever."

Branded as "injustice" and as "arbitrary action" by the RPR senator, the order expelling five leaders of the Caledonian extreme right wing, according to Interior and Decentralization Minister Pierre Joxe in a statement made Monday at Grenoble, "was designed to dispel rising tensions."

From her corner, Georgina Dufoix, speaking for the government, called the RPR position "doubly astonishing" when it approved, "at the very moment when the situation in New Caledonia is heating up

anew," a call for an expression of "support" for five Caledonian extremists against whom we had to invoke a refusal of sojourn permits."

In a communique released on Monday evening, Dufoix said: "This is the first time the RPR has so openly joined with the leaders of an extremist group, the Caledonian Front, which is responsible for grave violations of the public order. In so doing, the RPR has taken a further step in escalation of lawbreaking... This attitude," the government spokeswoman continued, "is further aggravated by the public statements of its delegate for the Overseas Departments and Territories (DOM-TOM), Didier Julia, who presumes to call for a White-Paper investigation of Edgard Pisani, daring to allege that Pisani has set up "what amounts to a foreign occupation" in New Caledonia, and that he thereby committed "crimes against the Republic and against human rights." In conclusion, Dufoix said: "Such reckless excess of language, such open scorn for the law and for the decisions of lawful authority, such blatant support for the most extreme elements, lays a heavy burden of guilt on all the leaders of this political group."

Gendarmes or Caledonian Front

Paris LE MONDE in French 27 Feb 85 p 9

[Article by Frederic Filloux]

[Text] In its March for Freedom, the Rally to Keep Caledonia in the Republic (RPCR) on Tuesday 26 February deployed its full tricolor inventory. The ~~sachems~~ proclaimed their vow to remain French, as the anti-independence Kanaks, far fewer in number, sported paper Liberty caps in blue-white-and-red. "No More Socialist Bullying!" read some banners, while others proclaimed "All Equal Before the Law!" or "S.O.S! Pisani is choking us!"

The one reference to the reason for the demonstration (the five men ordered expelled) came in a slogan: "Caledonian Front or Gendarmes, the Same Fight!" That seemed to please the crowd more than those who were wearing buttons or carrying placards displaying photos of Capt Saffray, but there was no banner with the names of the Five.

The Caledonian Front took part in the very muscular display of this parade, which drew 15,000 spectators according to the police and 30,000 according to its organizers. Starting-point for the march, as well as its finish-line, was drawn in Place de la Moselle, now re-named Place Yves-Tual in honor of the young Caledonian killed in Bouloupaci in 11 January of this year.

In a speech often interrupted by applause, Roger Laroque, ex-mayor of Numea, eulogized Capt Saffrey who, according to His Honor, "was simply doing his duty." Of the five deportees, he said: "They hid, and they were absolutely right to hide! We are determined to keep

them right here with us!" RCPR President Jacques Lafleur, in a more political speech, said: "I have a suggestion for my good friend Dick Ukeiwe's government. If we want to get French opinion and the French government to pay serious attention to the way we feel here in Caledonia, a month or six weeks from now we are going to have to take the initiative ourselves right here in New Caledonia, to vote on the only sound proposal for the future and for the honor of France: Dick Ukeiwe's plan!"

At the conclusion of the demonstration, Mr Lafleur explained that he intends to ask the French government to call a referendum on the Ukeiwe's plan. "If I am to judge from what I have been hearing just about everywhere, I feel that the government is not opposed to the Ukeiwe solution. At the territorial government they were saying on Tuesday afternoon that in case Paris were to refuse to call the referendum within the time set by the RPR deputy on the issue stated, the local executive would decide to call the "local initiative referendum" himself -- since the balloting would have value only as a demonstration of opinion and would be merely local -- as he believes he has every right to do.

The government's delegate, M Edgard Pisani, had no time to comment on this new RPCR proposal; he held his weekly press conference late in the morning, while the streets of Noumea were thronged with demonstrators rhythmically shouting "Pisani, Get Out!" and marching only a couple of hundred meters from the residence gates.

#### Unfinished Debate

Asked how he felt about this demonstration, High Commissioner Pisani replied that he found it empty and repetitive. "There's no point to it," he said. "It won't change anything. The problems are still there, and demonstrations are no way to solve them. The only way is to put out new ideas, to agree to debate, if you want to get things moving again. This, though, means nothing."

The government's spokesman returned briefly to the "picnic" at Thio on Sunday, 17 February. Asked why no local authority -- such as the sub-prefect, perhaps -- had been present at the Nassirah Pass to decide whether or not the procession of Caledonian Front picnickers should be allowed to proceed to the mining town, M Pisani replied that it had never occurred to him to send anyone along with Captain Saffrey: "I thought things were fairly clear as they were, and I had no indication that there was anything peculiar about the situation. If an error was made in that sense, it was I who made it." According to the High Commissioner, Tuesday's demonstration, as well as the Thio outing, threatened the restoration of dialogue in New Caledonia. "People are playing with fire," said M Pisani. "That was why I forbade the picnic last week: it gave rise to a new and very grave process that simply had to be dealt with. And,

In Noumea, the first day of school passed quietly and without incident, as it did on Ile de Mare, where there are only Melanesian teachers. FLNKS' boycott call, true, seems to have set off some heated arguments within the independence movement. "We are fed up with textbooks teaching the kids about trains, about snowdrifts, and about our ancestors, the Gauls," said M Yeiwene, one of the top men in FLNKS. On the other hand, some parents stood up to say that "the children must not be made the victims in this situation." All the teachers were at their classroom desks, but there are reports that some of them from the bush country had been stopped and turned back.

M Jacques Toubon, RPR secretary-general, is wondering whether or not the opening-day boycott "is compatible with the regulations under the state of emergency and whether the High Commissioner will stand for it." "School attendance is mandatory. Does the High Commissioner intend to enforce it?" asked M Toubon on 28 February during the weekly press conference. "The police are made to look ridiculous and the representatives of the State set at naught in New Caledonia," said M Raymond Barre, in a statement from Nevers.

Elsewhere, five houses under construction as housing for refugees from the island of Lifou, birthplace of Dick Ukeiwe, who has personally taken over the job of welcoming and sheltering the refugees, were burnt down near Noumea. At Thio, a house where some Wallis Islanders were living and which belonged to a teacher, in addition to an inspection stop for trucks carrying nickel from the mines, were also set afire and destroyed.

#### School Absenteeism

Paris LE MONDE in French 2 Mar 85 p 8

[Article by Frederic Filloux]

[Text] La Foa -- "The big event of this first day of classes is that nothing happened." Hands in his pockets, Edgard Pisani strolls through the little school, almost new, at Sarramea. He is on his way home from an inspection tour of the Loyaute Islands, among them Lifou, where the worst troubles had been predicted for this spring term of school in 1985, including an "active boycott," to use the FLNKS' ritual phraseology. While only about a third of the registered pupils were in the classrooms on Lifou, on Ile Mare the high-school classrooms were almost 100 percent filled.

In the primary school M Pisani visited, a little over half the pupils were present. The principal, Mme Collen, was not in the least upset. As she sees it, absenteeism is quite understandable, given the present political climate. She thinks that a lot of families are reluctant to risk losing their family allotments, which they might do in case of unjustified absences of their children.

amid the turmoil we are experiencing now, that picnic will emerge as one of the most damaging and most serious factors. Even though we manage to stabilize [the situation at Thion], as we must, it will leave extensive psychological scars."

Clearly, the important thing for Pisani is still the mission assigned him by the government: to get the broadest possible agreement around the plan whose outlines he revealed on 7 January last, even though, as of now, fewer and fewer people are willing to talk with him: no further meetings are planned, for instance, with the FLNKS.

## 25 Questions About the Ukeiwe Plan

For the government's delegate, though, the major absentee from the vital debate on the details of the final plan is the RPCR and, more particularly, that of the president of the territorial government: Ukeiwe. Citing the numerous efforts he has made to persuade the local chief executive to sit down and talk with him, M Pisani complained that they had led nowhere. Still, come what may, the government's delegate hopes to deliver his final report on 31 March.

"The least that can be said is that the Ukeiwe report is a rough draft," said M Pisani. "It offers no response to the basic problem or that of the linkage between the 'regions' and the territory as a whole. One is also left in the dark as to the nature of this regionalization of the Federative Assembly, nor of its relations with France. I have drawn up 25 questions... I am still trying to figure out the logic behind his proposal."

The government's delegate was careful not to slam the door on an encounter he still hopes for. But M Pisani no longer displays an excess of optimism on this score, even though it would appear that informal contacts have been continuing between the groups around both men.

## Back to School

Paris LE MONDE in French 2 Mar 85 p 8

[Text] Half the territory's Melanesian student body stayed home on the first day of classes. The decision to call a school boycott, announced on Thursday 28 February by the FLNKS, was fairly well observed: territory-wide, pupil absenteeism varied, on the average, between 50 and 70 percent, with the peak truancy-levels set at the "hot points." At Nakety, Elol Machoro's tribal seat, only 23 of the 155 registered scholars turned up. At Bouloupari -- home town of the young "caldoche" Yves Tual, who was killed last January -- the four tribes who surround the town solidly enforced the boycott. Meanwhile, at Hienghene, whose mayor is Jean-Marie Tjibaou, absenteeism was "only 40 percent."

What absenteeism there is does not seem to bother the government delegate. Even in France, Pisani explains, you seldom see the full classroom complement on the first day. "I think this whole business boils down to a fit of the sulks; then there is also a touch of fear among some people." And, too, a Friday instead of a Monday -- that could explain some of the absenteeism..." As Pisani sees it, it's a good bet that the situation will be back to normal by Monday.

At Foa, a European settlement on the West coast, the high-school principle is unworried. The only absentees today are some 50 students of all ethnic groups, originally from Kouaoua. Their parents, who are working 24 hours a day at the mine -- to make up for the production shortfall after the sabotage in January -- had asked to keep their children home until Monday so as not to lose time on unnecessary round-trips. And yet, Principal Gerard Mancel is also in charge of Canala High School, whose student body is made up of children from the surrounding tribal lands, FLNKS strongholds.

Even so, the boycott call was challenged. In a preliminary meeting on Thursday, there was a lively discussion between Canala's Mayor Maxim Karembeu, though he supports FLNKS, and some city employees calling for "tough" action on opening-day. "Get back to your work," they were told. And Friday morning, some parents of Canala students, all Melanesian, who had enrolled their children in the private Catholic school, asked permission for their children to attend the public high school, which they believe would be less likely to be affected in case of an FLNKS boycott.

#### The Big Chief and the Missing

Some of the protest came from the top reaches of the independence hierarchy. Hence it was no surprise to anybody when, on Friday, the caldoches at Foa elementary school saw Francois Burck, member of the FLNKS bureau, drive up with his 9-year-old daughter to register her for her first term among the intermediates. He minced no words: "I was furious when I heard that communique. All it accomplished was to traumatize the parents completely... What's more, it is totally premature, because there are very few places that can replace the public schools in educating the children. At the Nakety congress, it was made absolutely clear that the opening-day boycott would be recommended, but that first and foremost it would be left to the local committees to deal with it according to their own capacities." And he concluded: "You don't put out a boycott call that will leave everybody up in the air!"

M Burck is not the only independence activist who, for lack of anything better, values the education the FLNKS disparages as "colonial." Yet another surprise on this first day of school. M Kawa Berge, the great hereditary chief of the Couli tribe and himself a member of FLNKS, brought his 12-year-old son, David, to the boarding school at Foa, as he had done in earlier years. Better yet, one teacher told us, he noted down the names of all children of his tribe who were absent and, that same afternoon, a lot of them were back on the boarding-school benches.

All these disparate reactions clearly reflect the malaise that prevails in the FLNKS ranks. There are two opposing camps: the pragmatic and the political. The pragmatists' top priority is to train the indispensable cadres to run a future independent nation; to do that, they are ready to put up, like it or not, with the thinking behind made-in-France education. The political faction's first move would be to pull their children out of a system they feel is all wrong for them. The real question, though, is whether they can come up with a better solution for the young Kanaks.

### High Stakes

Paris LE MONDE in French 2 Mar 85 p 8

[Article by Frederic Filloux]

[Text] Noumea -- The first day of school in New Caledonia is a major gamble. On one side, the FLNKS sees it as a chance to put the concepts its delegates roughed out at the Nakety Party Congress into effect. On the other side, from the point of view of government M Pisani represents -- as well as that of the territorial government and of the European community -- this first day of the 1985 school term must solidify "normalization" in the bush country, perceived as the sine qua non for any quest for a political solution.

FLNKS quickly sounded the tocsin. The day before school opening -- the primary schools would open on Friday, but the rest of the openings would be spread out to Wednesday -- it said in a communique that a very large majority of the committees for struggle, as part of a strategy for breaking with the colonial system, had decided to boycott the schools and to set up a system of Kanak People's Schools."

Throughout the week preceding reopening, there were signs of trouble: some classrooms vandalized, heavy pressure brought to bear on the Grand Terre regions where the FLNKS is strongest: Lifou, Canala, and, of course, Thio.

### School as Part of the Tribe

Theoretically, there are 1,254 pupils enrolled in the mining district that has been hardest-hit by the events of the past few months, and there, the FLNKS committee for struggle was very clear: nobody to go to school on opening day, but special school facilities to be provided (as of now, these do not yet seem to be operational).

At Thio, FLNKS has a size advantage for controlling the return to school: the private Catholic school that boasts 65 percent of the school staff in the commune lies inside the Thio-Mission tribe compound. Woe betide anybody who shows up there!

They will not try to reopen the Thio schools until Monday. The return to school already bids fair to be as dismal as the mines. M Pisani will be able to see it all for himself, as he plans to go there on Monday.

At the vice-rectorate, they think it more than likely that there will be some "displacement" of the school-age population out of the bush and into Noumea. The decision will not be made by the parents until Monday or Tuesday, when they have had a chance to size up the situation. Even now, Noumea's 50 schools report admitting 220 more scholars this term than last year. "We can, however, accept an additional thousand children, thanks to our pupil-teacher ratio, which is about 21 to 1."

That leaves the vice-rector with at least one less worry: the teacher shortage in the bush country. In addition to the usual requests for transfer to the interior of the territory, only 23 requests for transfer citing recent events as the reason have been lodged with the authorities, out of a total of 1,250 teachers. There will be no classes without teachers or professors in New Caledonia this year. What is cause for concern is that it might be the other way 'round.

6182.

CSO: 4219/42

NEW ZEALAND

LANGE SAYS 'LEAK' RESPONSIBLE FOR ANZUS DISPUTE

HK111540 Hong Kong AFP in English 1533 GMT 11 Mar 85

[Text] Wellington, March 11--A news leak torpedoed moves by New Zealand in January to resolve its dispute with the United States over port entry for U.S. nuclear warships, Prime Minister David Lange said today.

Mr Lange said a story carried by AGENCE FRANCE-PRESSE "appeared to contain details of what was discussed at a meeting that afternoon (January 19) between myself, the American ambassador and officials from the United States and New Zealand."

He told a news conference that the effect of the AFP story was to prevent Washington from changing the type of warship it had offered to send to New Zealand for a port visit early this month.

Wellington's refusal to grant port entry to the destroyer USS Buchanan sparked a row that has threatened to scuttle the 34-year-old ANZUS alliance linking New Zealand, Australia and the United States. Mr Lange said that as a result of what he called "the leak of information" he had his office checked for electronic listening devices but nothing was found.

"It appears from my investigation that there was a leak of information involving a specific class of U.S. warship which the government, in line with its anti-nuclear policies, had invited to New Zealand," he said.

AFP reported the vessel in question to be an Oliver Hazard Perry-class missile cruiser, which the New Zealand Government wanted to visit in place of the Buchanan.

Mr Lange said the United States elected to ask for a visit by an amphibious vessel, which could not be classified clearly as nuclear-armed or non-nuclear. The United States refused as a matter of policy to say if its ships are nuclear-armed.

"I advised them (at the meeting) they should have a different class and it was leaked within 20 minutes," Mr Lange said. "It was announced (by AFP) from Hong Kong and the result was the end of the initiative."

Mr Lange said from that point "the whole proposal was just simply hopeless."  
If the United States had agreed to a different warship making the visit  
"the inevitable implication was that it had to be a breach of the  
(United States) neither-confirm-nor-deny policy" on nuclear arms.

While an invitation for the non-nuclear-armed warship to visit New Zealand  
was tendered to Washington, "that invitation was not accepted and you have  
seen the aftermath," Mr Lange said.

CSO: 4200/636

10 April 1985

## NEW ZEALAND

## BRIEFS

PARLIAMENT DEBATES DEFENSE ESTIMATES--Defense Minister Frank O'Flynn has [words indistinct]. Speaking during the defense estimates Invercargill member of parliament Norman Jones said the government has left New Zealand defenseless, and he will take a bet that the next Labor Party conference will vote to get out of ANZUS, using the argument that it is inoperative or not worth belonging to. Mr Jones also claimed that the Soviet Union is now testing many more missiles into the South Pacific, one of which [words indistinct] landed very close to the Cook Islands in 1980, but he said the peace groups and the Labor Party have not been making any noise about these tests. Also speaking at the debate, the Deputy Prime Minister Geoffrey Palmer said the government is not in favor of Soviet policy and is certainly not anti-United States. The essence of the ANZUS treaty remains legal and binding. [Text] [Wellington Overseas Service in English 12 Mar 85] HK130148

OBSERVER FORCE IN SINAI--Wellington March 14--Prime Minister David Lange today said his government was looking at ways of keeping its 35-man observer force in Sinai next year, despite Canberra's decision to withdraw the Australian group in 1986. Mr Lange said New Zealand was considering "various options" since it "wished to continue to play a role" in moves towards Middle East peace. The New Zealand group is part of an integrated Australian-New Zealand unit within the multinational observer force in the Sinai, providing surveillance, logistic support and helicopter transport in the region. New Zealand was studying the implications of Australia's decision for its force members, since it would "be hard to maintain" a New Zealand presence alone in the region, Mr Lange added. New Zealand flies two leased United States helicopters as part of its contribution to the unit. The country also has seven army and air force officers working on the Sinai multinational force headquarters staff. [Text] [Hong Kong AFP in English 14 Mar 85] HK141240

MONEY MARKET RATES SOAR--Short-term money market rates have gone as high as 550 percent this afternoon for on-call money despite Reserve Bank intervention earlier this morning. The bank put 150 million dollars into the market in the morning, but this cash was soon snapped up and rates immediately took off again. Dealers say overnight money is now being quoted as high as 900 percent, although there have been no takers at this level. The Reserve bank has announced that tomorrow's treasury bill tender has

been cancelled because of the shortage of short-term money. The bank says [words indistinct] kept the market tight, and so it is decided there is not enough around to buy treasury bills. This is the fourth treasury bill tender to have been cancelled in the past month. [Text] [Wellington Overseas Service in English 11 Mar 85] HK110653

SUP VIEWS CHERNENKO DEATH--The Socialist Unity Party [SUP] of New Zealand does not believe the transfer of power in the Soviet Union will radically alter Soviet policies. The secretary of the Moscow-aligned party, George Jackson of Auckland, says fundamental policies in the Kremlin are made on a collective, not individual basis. The party believes that Mr Gorbachev will make a mark on Soviet politics. The SUP has sent messages of condolence and congratulations to Moscow. A condolence book will be opened at the Soviet Embassy in Wellington this afternoon. People who wish to pay their respects to President Chernenko will be able to do so at the end of [words indistinct] at 2 o'clock. [Text] [Wellington Overseas Service in English 12 Mar 85] HK120120

CSO: 4200/636

PHILIPPINES

EXPORTERS SUFFER FROM PESO, DOLLAR GAINS

Manila BULLETIN TODAY in English 9 Feb 85 p 17

[Text]

Garment exporters are facing a different dilemma as a result of twin factors separately affecting their foreign exchange earnings.

The recent gains of the peso vis-a-vis the US currency have clearly eroded whatever windfall gains exporters may have derived from an exchange rate that previously depreciated.

However, the dollar's surge against European currencies have proved disadvantageous to Philippine apparel exporters.

Anastacio de los Reyes, incoming president of Garments Business Association of the Phils. (GBAP), explained that European garment buyers would have to exchange more of their local currency for the same unit of the US dollar as payment for their Philippine imports.

Delos Reyes said that under this situation, cost of importing Philippine garments have become more prohibitive, impairing the competitiveness of garment exporters.

The Confederation of Philippine Exporters (COPE), on the other hand, has expressed a similar alarm on the rallying peso.

"At present, there appears an apparent confusion in the trend of the peso vis-a-vis the US dollar which greatly affects the operation of exporters and banks, favorable at times but adversely most of the times," COPE observed.

Garment exporters said most commercial banks offer a buying rate \$1 less than the reference rate.

Export earnings, according to exporters, have been considerably affected.

CSO: 4200/663

PHILIPPINES

CAVITE EXPORT ZONE PRIORITY TO BE HIGH TECH

Manila BULLETIN TODAY in English 10 Feb 85 p 25

[Text]

The country's fourth export processing zone (EPZ) currently under construction in Rosario, Cavite, will give first priority to high-technology industries in order to generate substantial investments, Administrator Renato Cayetano of the Export Processing Zone Authority (EPZA) said.

He said the zone was expected to be completed by the third quarter this year. It is envisioned to cater to a specialized type of industry such as the manufacture and assembly of electronic components, micro-chips and semi-conductors.

To put up a semi-conductor company in the zone, the initial investment would at least amount to as much as P10 million, he said. Moreover, such enterprises

must evolve the transfer of technology that would benefit the local workers. In other words, workers will be trained and their training may be utilized in other industries not only in the country but in other countries as well.

He also said that the Authority is investing additional P10 million from its 1985 budget of P45 million to cover the cost increases to complete the zone because of the two-year delay. The zone was financed by a P30 million loan from the Development Bank of the Philippines (DBP).

The zone will offer investors only the land and the usual amenities such as the supply of water and electricity instead of the standard factory buildings similar to the other three zones

in Bataan, Baguio and Mactan.

Cayetano said the EPZA decided not to construct factory buildings primarily because of budget constraints. Besides, the zone is very near Metro Manila, already an added advantage to the investors. Likewise, the rental rates of the land will be much lower than that offered by other EPZA in Asia, Cayetano added.

He also said that while the first phase of the zone covering 45 hectares hopes to attract just one type of industry, the next two phases will attract medium-size enterprises such as food-processing. This is also projected to generate substantial investments since the equipment required by these industries are capital-intensive.

CSO: 4200/663

PHILIPPINES

BIGORNIA REPORTS RALLY LEADER SIPS COFFEE DURING CLASH

Manila BULLETIN TODAY in English 11 Feb 85 p 6

[Commentary by Jesus Bigornia: "Rally Leader Sips Coffee During Clash"]

[Text]

**P**RESENT-DAY tacticians say a good general never exposes himself to actual danger in battle. He may, it is conceded, visit the frontlines to give the order of battle and deliver a pep talk to the troops. But standing up and ordering a charge, that is already passe. He must step back to the rear in relative safety, directing changes in battle plans, and all that sort of thing. His expertise is too valuable to lose to a stray bullet from the enemy.

\* \* \*

Would-be political leaders here appear to have taken their lessons from this revised military textbook. For when their followers are locked in battle in the streets with anti-riot policemen and

Armalite-wielding soldiers, the leaders-instigators disappear, but not before they have stirred the tempers to a high pitch. Among the latest exponents of this new theory seemed to eyewitnesses is Agapito "Butz" Aquino, brother of assassinated opposition leader Benigno Aquino, Jr.

\* \* \*

At the height of a demonstration before the United States embassy Friday afternoon, Mr. Aquino was munching a sandwich and sipping coffee slowly and deliberately as he watched through the plate glass window of the "Taza de Oro" his followers chased and beaten with truncheons by riot policemen. Neither he nor his three burly bodyguards rose from their table until after the affray on Roxas Boulevard subsided and the demonstrators in disarray.

CSO: 4200/664

PHILIPPINES

BUSINESS COLUMNIST ON DANGER SIGNS IN ECONOMY

Manila BULLETIN TODAY in English 11 Feb 85 p 22

[Article by Bernardino Ronquillo: "Danger Signals in RP Economy"]

[Text]

A turning point may have been reached in the almost steady rise in prices of prime commodities and consequently in the continuous climb in the people's cost of living. From a peak of around 60 percent in the last quarter of 1984, the inflation rate was computed to have eased to 50 percent as the year drew to a close. And this is expected to go down further to just around 40 percent before midyear.

Shopping at supermarkets these days is still far from being fun with ₱100 buying only a few items including one medium size can of powdered milk, one regular size tin of corned beef and one medium size bottle of fruit juice; or just one kilo of local (Batangas) beef plus one kilo of tilapia if not lapu-lapu.

But there is now a bonus or incentive for the persistent shopper: he is spared the shock of seeing prices of nearly everything revised upward almost every day. A number of high-priced items, including canned goods, are now selling at lower prices; those selling at ₱30 to ₱40 a tin are now priced at ₱25 to ₱30. And in the case of certain breakfast cereals that around Christmas time were retailing at around ₱40 a big pack, today's prices range from a high of ₱31 to a low of ₱16.50.

Obviously, there are still sizeable stocks of consumer goods whose utility life is limited and have to be sold now or will become unfit for human consumption in the near future. For the same reason, the major stores with unsold goods are now having bargain, clearance, liquidation, fire or what-have-you sales where even newspapermen compete with high society matrons and wives of executives in getting first to the best shirts and garments or other merchandise in the store shelves or display room.

But the locally produced food items do not seem to support the official reports of a decline in retail prices and therefore in the inflation rate. Prices of fish and vegetables which should respond favorably to seasonal factors are not getting any lower. Rice prices have in fact gone up with the lifting of price control and the regulation of key farm industries.

A number of reasons have been advanced for the rise in locally-produced food items. In the case of rice, a combination of factors, including bad weather, high cost of fertilizer and farm inputs and low prices of food grains and consequently poor returns for the farmers have been blamed for high rice prices. The same factors are cited for the high prices of vegetables and other food crops. In the case of fish, the catch has been relatively poor despite better climatic conditions, obviously because of the adverse effects of dynamite fishing used by certain fishermen and also the high cost of fuel and energy.

But even granted that the inflation rate is decelerating and prices are easing, there are danger signals in the economy which could cancel the gains in the fight against inflation which need to be heeded. One is the growing labor unrest in the face of growing unemployment and apparently lack of job security. This is reflected in the increasing number of strikes and in the closure of more businesses.

The other is the apparent decline in production and productivity. This is true with respect to our main food crops like rice, sugar, fish, coconuts and other food crops.

With the monetary authorities more concerned, it seems, with mopping up excess liquidity than with providing sufficient credit for production and with the cost of money at unprecedentedly peak rates, how could it be otherwise?

CSO: 4200/664

PHILIPPINES

PLAN FAILS ON ASIA-PACIFIC COCONUT CARTEL

Manila BULLETIN TODAY in English 11 Feb 85 p 25

[Article by J.J. Concepcion]

[Text]

Plans of the Asia-Pacific Coconut Community to set a common price for the different coconut products being exported by member countries will no longer push through with the recent deregulation of the local coconut industry, Philippine Coconut Authority (PCA) Chairman Rolando de la Cuesta said.

The Philippines can no longer lead in setting a common price for the coconut product exports of the APCC member countries, he said.

APCC, composed of the Philippines, Sri Lanka and half a dozen coconut-producing countries in the Asia-Pacific area, had been eyeing the possibility of forming a "cartel" among themselves

and dictating or setting a common price for coconut products exported by members of the bloc.

The rationale for the plan is for members of the bloc to maximize their foreign exchange earnings from the exports of coconut products, principally coconut oil.

Major Western markets, like the United States and Western Europe, depend to a large extent on the APCC member countries for their supply of coconut oil for industrial and edible uses.

The Philippines, which accounts for about 70 to 80 percent of the coconut oil supplied to the export market, had long been urged by other APCC members to take the lead in set-

ting a common export price for coconut products being shipped out by the APCC bloc.

But PCA officials and other industry leaders had cautioned against such a drastic move, although it also makes sense because of the likelihood that foreign buyers might shift to the use of other vegetable oils, like palm kernel oil and soybean oil.

The price of coconut oil in the export market peaked to 65 US cents a pound in October last year.

But the price of the commodity steadily went down towards the end of last year owing to a shift in the use of cheaper vegetable oils.

The price of coconut oil for February-March shipments is now being quoted at about 34.5 cents a pound. (J.C. Concepcion)

CSO: 4200/664

PHILIPPINES

SAUDI BANK BLOCKS IMF LOAN

HK260752 Manila BUSINESS DAY in English 25 Mar 85 p 2

[Article by Rigoberto D. Tiglao]

[Text] The country's entire economic adjustment program is in jeopardy because of the impasse between the international advisory committee of its bank creditors and the recalcitrant National Commercial Bank (NCB) of Saudi Arabia.

The advisory committee, composed of the country's 12 largest bank creditors, in its meeting last Friday decided to indefinitely postpone the signing of the new loan and trade facility accords for the Philippines until the "NCB problem" is solved. The Saudi Arabian bank has stood firm on its position that it will not participate in the loan syndication being organized by the advisory committee. It instead proposed to sign a separate bilateral agreement with the government for the new loan it will extend to the country.

The advisory committee has retaliated by deferring the finalization of the accords and asking foreign governments, particularly the U.S. government, to put diplomatic pressure on NCB to soften its position.

BUSINESS DAY sources close to the advisory committee claimed that the International Monetary Fund (IMF) is likely to suspend the completion of its first program review of the country's economic program, and consequently, the release of the second tranche of the 615-million SDR (special drawing rights) facility until the Saudi bank problem is resolved.

They explained that the IMF's extension of the standby facility was premised on the availability of new commercial loans, with the IMF reaching an agreement with the advisory committee that the loans will start coming in before the end of the first quarter. This was the reason why the IMF executive board has made it a requirement that the 12 banks composing the advisory committee first pledge to the Fund that it will extend the new loans to the country before it approved the standby facility on December 20.

The sources noted that the IMF will likely invoke paragraph 24 of the government's letter of intent to the IMF as grounds for delaying the release

of the second tranche, which is supposed to be due for drawdown today. This paragraph specifies that the country will be getting \$900 million in new commercial loans to cover the financing gap for the period October 17, 1983 to December 31, 1984.

With the delay in the inflow of the new commercial loan, the IMF is also likely to ask the government to impose harsher austerity measures. To make up for the gap in foreign exchange financing, it would require the country to devalue its peso, a foreign banker claimed.

The international bankers noted that the NCB problem only emphasizes the fragile arrangements for the Philippine financial rescue package. The terms for the first drawdown on the new commercial loan also specify that the agreement will be suspended if the country fails to draw on any of the IMF tranches as scheduled. More accurately, the government's failure to draw on the second tranche of the IMF facility within 45 days will be considered as an event of default that will make the agreements, not only for the new loans but for the revolving trade facilities, void.

"Even if the IMF management decides to release the second tranche without the new commercial loans finalized, they and the government would have to work again on their figures since most of the IMF targets were premised on the availability of the new commercial loans," an international banker noted. "That may take some time," he added.

The worse case scenario, the sources noted, will be a decision by smaller regional banks to recall their pledges to participate in the syndication on grounds that the advisory committee's inability to convince NCB to join the financial package reveals its weakness in dealing with the Philippines debt problem.

"So they (the regional banks) may choose to write off their small loans rather than increase their exposures," an international banker noted. "They've been itching to do that all along," he added.

"What is frightening for the Philippines is a view among a few big banks that they would rather write off their debts here rather than risk future rescheduling agreements for Latin American countries if NCB sets a precedent," a BUSINESS DAY source said. "And that could be somehow logical. The biggest exposure here by one bank amounts to about \$1.2 billion. If future agreements for Latin American countries will be endangered by the NCB precedent, that bank stands to lose more than \$10 billion, its combined exposure in Brazil, Mexico, Argentina and Venezuela," he added.

One BUSINESS DAY source described the NCB problem as an embarrassing misstep that could have been avoided. "If Mantrust (Manufacturers Hanovers Trust Co which heads the committee) had decided to push through with the signing last month, the committee could have quietly handled the affair

later," a source noted. "However, the advisory committee now has been pushed to a corner, since the other banks are now expecting it to be firm in its position as a matter of principle that would affect all future debt-relief efforts," he added.

However, other Manila-based foreign bankers said the advisory committee could not have let "NCB off the hook" since its exposure amounting to \$150 million is the 27th biggest loan extended by a single commercial bank to the country. If they decided to sign the accords without the 277th biggest bank participating, it would have triggered an avalanche of refusals from small banks with smaller exposures to join the package.

These bankers claimed that the Philippine government may be partly blamed for the problem since it had started talks with NCB last year involving the repayment of the country's debts to the bank through schemes other than debt rescheduling. At least two schemes had been the subject of these talks. One involved the repayment of the obligations in pesos, which the NCB wants to use for equity investments in the country. The other involved the payment of the obligations through the remittance of Filipino contract workers in Saudi Arabia, a portion of which the NCB had been handling as a correspondent bank.

A REUTERS dispatch from New York the other day confirmed an earlier report that the decision of the advisory committee to postpone the signing of the new loans partly stemmed from its view that the terms in the bilateral agreement between NCB and the Philippine government will result in more favorable terms for the Saudi bank, a situation the advisory committee cannot allow. BUSINESS DAY earlier reported that the new loans NCB had agreed to extend will be only half of what it should extend under the terms of the advisory committee.

The REUTERS dispatch also noted that the advisory Committee had asked the U.S. Treasury and the U.S. State Department to lead a "diplomatic assault" to convince the NCB to join the rescue package. BUSINESS DAY had learned that since NCB told the advisory committee that it will not join the syndication on February 22, the State Department had already undertaken talks with Saudi government officials. Sources said that even the U.S. government's request to King Fahd himself in early March had been futile. Also, almost all board chairmen of the world's largest banks had personally called the NCB chairman to convince the bank to join the syndication but to no avail.

CSO: 4200/689

PHILIPPINES

EXTORTIONISTS POSE AS REBELS IN PAMPANGA

Quezon City ANG PAHAYAGANG MALAYA in English 11 Feb 85 p 8

[Article by Sonny Lopez]

[Text] Pampanga--A group of extortionists posing as dissidents have been sending blackmail notes to local businessmen and prominent residents in this town.

This was revealed by Mayor Virgilio Sanchez who said the notes have been signed by a certain Commander Berting demanding P3,000 in cash and jewelry from each businessman they approached.

The extortionists have threatened to kill their prey for failing to comply. They cited the death of Sta. Ana mayor Rudy Maniago, who was gunned down in his town while attending a Misa de Gallo last Dec 16, 1984 inside the Sta. Ana catholic church. The gunmen were allegedly by members of the New People's Army (NPA).

A note received by a businessman here said: "Kami ay inyong kaibigan, kung hindi ninyo kami tutulungan, magiging madahas kami at walang pinapatawad."

The alleged commander further said that someone would contact him by telephone and give instructions where to deliver the money.

Sanchez revealed that other businessmen in town gave little amounts for fear of their lives.

He appealed to local residents to notify his office, the police or the constabulary if they receive similar blackmail notes.

CSO: 4200/664

PHILIPPINES

OBSERVER REPORTS FEAR, ABUSE IN ZAMBOANGA

Quezon City ANG PAHAYAGANG MALAYA in English 12 Feb 85 p 4

["Publisher's Notes" by Jose G. Burgos, Jr.: "Monitoring the Provinces"]

[Text]

It was a hectic five-day trip to the South but it was well worth the trouble-looking closely at the stark realities the "probinsyanos" encounter day in and day out.

In Zamboanga City, the military rules supreme and despite the heavy deployment of soldiers from all the branches of the Armed Forces, the peace and order situation remains an elusive dream. In fact, their presence oftentimes spark violence. Armed men walk the streets and to a visitor, it's difficult to know who's who although the arrogance of some of them is enough proof they belong to the military.

There's this beefy, over-bearing officer with his ubiquitous walkie-talkie and a .45 tucked in his waistline, brushing

aside a long queue in the PAL counter to check in pieces of luggage. When informed that others had painstakingly lined up ahead of him, his snooty reply was: *Maliit na bagay lang, palalakihiin mo* ("It's a trivial matter, why make a big fuss about it?").

But of course. Military officers like him are hare-brained. The only thing they understand is that they are "strong and mighty" and unarmed civilians should not make a big fuss about their rights because the military authorities in Zamboanga obviously believe in and practise the ancient dictum "might is right."

The soldiers in Zamboanga should remember that "trivial matters" like the oppression of the

people are precisely the reasons why the civilian populace everywhere detest and resent the military.

The credibility of the military in Zamboanga has ebbed to its lowest level, and ugly talks, bruited about in whispers, of extortion, kidnapping and "salvagings" brazenly committed by some military authorities, continue unabated. It is said that when rival elements of the armed forces clash, the poor civilians are pinned in-between. Worse, the perpetrators are seldom punished and go about strutting around the city merrily and unmolested.

The fear gripping the folks of Zamboanga is best summed up by our host: "Don't go out of your hotel after six p.m." No trivial matter, this.

CSO: 4200/664

PHILIPPINES

MALAYA PRINTS PLUG FOR CEBU OPPOSITION PAPER

Quezon City ANG PAHAYAGANG MALAYA in English 13 Feb 85 p 4

["Publisher's Notes" by Jose G. Burgos, Jr.: "A Struggling Publisher"]

[Text]

The keen competition among Cebu City's daily newspapers is telling on a struggling publisher-editor who has been hanging on to publishing by a flimsy thread for the past five years now.

With three local dailies already saturating the Queen City of the South, in addition to the cut-throat rivalry for readers among the major national newspapers, Al Alinsug's Visayan Herald appears to be on the skids. But the soft-voiced, mild-mannered former educator is unfazed, although a bit dazed by the fact that he had to sell his properties to keep his paper alive.

Al may be considered

a pioneer in the alternative press campaign in the South, having entered the risky field of newspapering in 1980 when it was foolhardy to deviate from the more comfortable and easy path of subservience and, therefore, convenience. Thus, Herald's every issue was a sparking mirror of what was truly happening not only in Cebu but also on the national scene, particularly the hush-hush affairs then being drawn up in Malacanang.

Every now and then, Al would reprint some of the more critical stories in the old WE Forum and in later years, editorials and column pieces in

Malaya. Of course, with my permission, if not encouragement.

It was rough all the way for Al and his hardy crop of journalists in the Herald but their paper managed to survive and even "made hay," just like the other so-called alternative media, in the aftermath of the Aquino assassination.

The Herald, in fact, is luckier than Malaya and WE Forum. It had commercial and classified advertisements that more than broke even with the paper's production cost. It seems that Cebu's businessmen were more plucky than those in Manila.

When I saw Al on my visit to Cebu a few days ago, he was a bit worried about the future of his Herald. With his limited resources and a run-down press, he could no longer keep pace with the better financially-backed local publications with their offset facilities and adequate manpower.

Al Alinsug and his Visayan Herald have a lot of things going for Cebu's inveterate newspaper readers. It's just a matter of time — precious time. And keeping faith with the lonely cause of truth, freedom and justice.

Hang on, pal. Hang on.

CSO: 4200/664

PHILIPPINES

TOLENTINO, OPLE CITED ON POSSIBLE 1985 ELECTION

Quezon City ANG PAHAYAGANG MALAYA in English 13 Feb 85 p 4

["Now and Then" column by Jose J. Burgos, Sr.: "KBL Bigwig Talks on Polls"]

[Text]

Another big wheel of the Kilusang Bagong Lipunan talked last Monday at the weekly "Kapihan sa Manila" breakfast at the Manila Hotel on the "strong possibility" of the holding of a national election anytime this year.

Labor Minister Blas Ople this time told the gathering about a presidential election being held sometime in 1985. While he declined, according to the newspaper reports, to say anything about the date of the political contest because the matter is still being seriously considered by the KBL, he did say that Mrs. Imelda R. Marcos is "initially" considered to be the party's official candidate.

Two weeks ago, another independent-thinking KBL mogul, Foreign Affairs Minister Arturo Tolentino, made a similar statement. In a speech before the foreign corres-

pondents' association at the National Press Club, Tolentino also said a presidential election in 1985 is a distinct possibility.

So, little by little, the scenario is unfolding, amidst frantic efforts of the opposition groups to unite.

Meantime, the President's health remains not much improved, despite all efforts of the Malacanang Press Office to project him as being in "perfect health" and in "full control of the situation."

Manila public school teachers, who were admitted to Malacanang to see him after their strike, reported Mr. Marcos to be puffed, his voice gravelly and hoarse and unsteady in his walk.

Meanwhile, also, Mrs. Marcos is being projected more and more to be attending to more presidential tasks. Last week,

she signed the agreement for 58 projects to be financed with \$47.5-million Economic Support Fund from the World Bank, Asian Development Bank and the US Agency for International Development.

Last Monday, she met with Soviet Ambassador Yuri Sholmov at Malacanang on increased trade barter between the Philippines and Russia.

A few days back, she had met with KBL leaders from Mindanao at the Philippine Plaza after she scuttled earlier plans to fly to Davao City for security reasons.

Make no mistake about it, Imelda is taking over more and more of the work normally performed by the President, showing to all and sundry that she can be President.

But Mr. and Mrs. Marcos, on one hand, and the KBL stalwarts,

on the other hand, must decide soon when the election is to be held. Perfect timing is necessary. For should the President die or be incapacitated before Imelda is proclaimed official KBL candidate, there is no certainty that she will continue to hold the stellar position in the party and in the government after Marcos goes. There will be a heated contest within the Kilusang Bagong Lipunan for the nomination. Many may even leave the party, realizing that without a Marcos, the KBL will have no more chance at winning.

This is the reason why the President must resign soon enough so that, while still in control of the government and the party, the presidential election must be held to choose his successor. Otherwise, goodbye KBL, goodbye Imelda.

PHILIPPINES

FRENCH POWER DEAL, OTHER FIRST LADY ACTIVITIES

Manila BULLETIN TODAY in English 10 Feb 85 pp 1, 12

[Article by Brenda P. Tuazon]

[Text]

The First Lady and Minister of Human Settlements Imelda R. Marcos welcomed yesterday a proposal for the Philippines and France to team up in the construction of dendro-thermal projects abroad.

French Ambassador Jacques LeClerc and officials of Alstrom Atlantique told her the Philippine experience in the planting and harvesting of "ipil-ipil" could be part of its contribution to the joint venture.

France would supply the equipment to generate dendro power. Dendro generators use coal or wood for fuel.

It was noted that such joint ventures could be set up in Brazil, Indonesia and America.

Robert Chalvon, deputy chairman of Alstrom, said the Philippines is a pioneer in dendro-thermal energy and the most advanced in this field.

Mrs. Marcos thanked the French officials for

"going into programs which can help in our country's development."

On Feb. 11, 1984, a dendro plant was inaugurated in Cape Bolinao, Pangasinan. Using "ipil-ipil," it generated electricity at a cost much lower than that charged by the National Power Corp. (NPC).

In the middle of this year, a similar plant would begin operating in Ilocos Sur. Others are being built throughout the country.

In another development, she announced that in the Cagayan Valley, the number of households being supplied with electricity multiplied four times in the past five years.

Pedro Dumol, administrator of the National Electrification Administration, reported to the First Lady that as of the end of 1984, 26 million Filipinos, or 51 percent of the population, were supplied with electricity. In 1972, only 19 percent were so supplied.

He said that electric cooperatives were sup-

plying 15 million consumers. The Meralco supplies eight million and the private and municipal corporations supply the remaining three million.

Dumol said that over half of the country's barangays have a supply of electric power.

Mrs. Marcos, chairman of the NEA, said that rural electrification has always been a top priority of the government.

Meanwhile, Mrs. Marcos called on broadcast media executives to provide more meaningful radio and television programs emphasizing youth development.

She said she would set up a trust foundation to support youth and educational activities to maximize use and development of the talents of the young.

"I can assure you the biggest share of my time will be donated to giving emphasis to programs for development of the youth," she said.

The First Lady noted that 60 percent of the nation's population is composed of the youth

and that children must not be neglected because they are "the poorest of the poor."

An adult can fend for himself but to deprive a child of basic essentials is to "deprive him of his future."

Education Minister Jaime Laya who attended the meeting said he would identify concrete programs in line with this new thrust not only in the local but in the national level.

In citing the need to put more emphasis to youth-oriented programs Mrs. Marcos, also called on the media to lessen exposure of "scandalous attributions to superstars."

These artists, she said, may by coincidence possess talents but once they lead scandalous lives "they no longer live in beauty and beauty is not in their hearts."

The trust foundation that the First Lady plans to set up will be for oratorical contest, spelling contest, Balagtasan, scholarship fund for the high school and college level.

CSO: 4200/663

PHILIPPINES

INP OFFICIAL BRANDS NAJFD, CORD AS CCP 'FRONTS'

Manila BULLETIN TODAY in English 10 Feb 85 p 9

[Text]

A top official of the Integrated National Police (INP) branded the Nationalist Alliance for Justice, Freedom and Democracy (NAJFD) and the Coalition of Organizations for the Realization of Democracy (CORD) as front organizations of the Communist Party of the Philippines (CPP).

Brig. Gen. Rene Cruz, deputy director general of the INP for community relations, said that the two groups were organized through the National Commission for Mass Movements, which is an organization under the CPP.

Cruz made the disclosure when he addressed the Manila peace and order council presided over by Mayor Ramon D. Bagatsing at the Sila-

his International Hotel.

"Of utmost concern to us is the growing infiltration by leftist elements of legitimate and well-meaning institutions in our society," Cruz said.

He said that while the military suspects that there are only a few hard-core communists in the student and labor sectors, "we are concerned over the seeming proliferation of organizations that have become channels of subversive agitation and propaganda."

Cruz also said that the National Coalition for the Protection of Workers Rights and the Pambansang Koalisyon ng Manggagawa Laban sa Kahirapan are being infiltrated by leftist elements.

CSO: 4200/663

PHILIPPINES

DAVAO COLUMNIST ON KILLINGS; MARCOS FAILURE TO LISTEN

Davao City PEOPLE'S DAILY FORUM in English 9 Feb 85 p 2

["Window Shopping" column by Aurelio A. Pena: "If Marcos Only Listens..."]

[Text] Soon you get used to the fear and depression here in Davao, because if you won't chances are you'll go nuts.

The killing of Jun Olimba last January 30 still haunts us to this very day. Jun Olimba has no known enemies, so many people think it was a senseless killing.

If an innocent man like Olimba can be killed for no apparent reason, then we're convinced no one, absolutely no one is safe in Davao.

Olimba was killed by two young gunmen with three young accomplices, all in their late teens and early twenties at seven in the morning and has the classic mark of an NPA execution by a "sparrow unit."

But for a man like Olimba, it doesn't really matter whether he was killed by the military or the NPA--the point is did he really deserve to die?

Almost everyone in Davao is getting paranoid nowadays.

Impulsively, one becomes suspicious of young men in their twenties, in groups of two, three or five who hang around in early mornings or late afternoons who walk behind you or who wait around in dark corners.

If they aren't NPA sparrows, they could be military intelligence men. If they aren't BMA perhaps they'd turn out to be holduppers or robbers.

In Davao, there are no longer "ordinary" citizens.

All are potential victims of gunmen, no matter who they are.

If you live in Davao, it's like playing Russian roulette--a gun is always aimed at the heads of each of the 800,000 Davao residents, while the barrel is turned with that single fatal bullet...

For as long as President Ferdinand Marcos doesn't listen to demands for him to step down from Malacanang and give way for a new leadership, the growth of communist rebellion in this country will continue unabated.

There will be more and more NPA's for as long as Marcos thinks he is the only one man who can run this country.

His name, along with the US government, has been denounced in red paint by dissidents since pre-martial law in the seventies, right up to this very day.

Now, even Makati businessmen and top executives are denouncing him for leading this country to this economic mess.

This may sound like a broken record, but Marcos is blamed for all the sufferings of our people today.

The writings are on the walls in every major cities in this country.

If Marcos only listens, this country can still be saved...

CSO: 4200/663

PHILIPPINES

SALAMAT MOROS CHANGE NAME, DENY NPA LINKS

Davao City PEOPLE'S DAILY FORUM in English 10 Feb 85 pp 1, 6

[Text]

COTABATO CITY (PNA)

— There is no tie-up existing between the Moro Islamic Liberation Front (MILF) and the Communist Party of the Philippines' military arm, the New People's Army (NPA), in the two autonomous region in southern Philippines.

This was disclosed today by former Maguindanao Governor Zacaria Candao who is now acting as the liaison officer of the Salamat Hashim faction, one of the three factions of the Moro National Liberation Front (MNLF).

"The autonomous regions in southern Philippines are western Mindanao (Region 9) and central Mindanao (Region 12).

Candao said that the Salamat faction now goes under the name MILF.

The former governor made the disclosure to clarify reports that the members of the MILF have linkages with the subversive elements.

"Insofar as the Salamat group is concerned," Candao stressed, "there is neither a formal nor organic link-up between elements of the MILF and subversives."

Candao said there had been no incidence yet when MILF forces engaged NPA forces in any of the two autonomous regions.

Candao said that reports from the field showed the Muslim-populated provinces of Maguindanao and Lanao del Sur are "free from NPA elements."

He said that the NPA has made no attempts to infiltrate these provinces.

Candao added that the "MILF is willing to fight against communist intrusion in this part of the country, if needed."

The MILF, he explained, still believes in Islamic democracy, a democratic form of government founded on Islamic tenets that must apply to the autonomous regions. (PNA)

PHILIPPINES

ARTICLE DESCRIBES DAVAO MILITARY 'ZONING' TACTICS

Quezon City VERITAS in English 10 Feb 85 p 16

[Article by Carol O. Arguillas]

[Text]

**T**HERE is this word that the military in Davao hopes to eliminate from the local parlance: "zoning" — a military operation designed to flush out dissidents in an area reportedly harboring them and where the military lacks the intelligence reports because the community does not cooperate.

It is a word that has been subjected to debates over the past few weeks. Gen. Jaime C. Echeverria, Regional Unified commander says he is not in favor of "zoning" although it may be necessary if the people in the community do not pinpoint the dissidents in their area. "We can only avoid it if people cooperate."

Col. Rodolfo G. Biazon, Commander of the 3rd Marine Brigade distinguishes between a raid and a "zoning": "When a raid is conducted, the target is pinpointed. The house or the person is specified. However, if a community is reported to be harboring bad elements and the people won't provide us with information probably because of intimidation from the other side or apathy or indifference, these so-called 'zoning' operations are conducted. We won't adapt it as a general measure. If people can only come out and help the operating units, then this can be done away with."

Metrodiscom Commander Laudemer Kahulugan denies ever conducting a "zoning" operation. "We don't conduct 'zoning.' We conduct raids."

On July 27, 1983, the PC/INP, Office of the Regional State Prosecution and the IBP Eastern Mindanao signed a "Ten-Point Statement of Undertaking" in the implementation of national security measures "giving" due consideration to the rights of the civilians that may be affected thereof."

Point three states thus: "1) Order by Commanding Officers/Station Commanders on deliberate dragnet and zoning operations shall be reduced in writing to prevent any abuse or violation of civil rights in the conduct thereof. 2) Civil authorities shall be informed whenever practicable on the dragnet or zoning operations. 3) The head of operating elements conducting the dragnet and zoning operations shall carry with him a copy of the order to be presented when demanded, except hot pursuit. 4) Operating elements during the conduct of dragnet or zoning operations shall be in complete uniform with name cloth, to insure easy identification in case of complaint later on."

Although Col. Kahulugan insists that they do not conduct

'zoning' but raids, and that the houses and the persons are pinpointed, residents of 'zoned' areas say otherwise.

In an interview, *Veritas*, learned one of the 15 arrested in the Malagamot "zoning"/"raid" was only attending a wedding in that area last Jan. 16. Three others "just accompanied their neighbor or relatives *dahil baka daw - i-salvage*," a military officer here said. "*Dili man unta ko mu-uban, pero gipa-uban man ko*," (I did not want to go but I was told to go), said one of the three. Although eventually released, they stayed at the PC barracks overnight. Of those who were detained, one told *Veritas* that the group was arrested on the basis of being pointed at by what they call a "neighborhood Judas," who, he adds, could only be motivated by personal grudge or money. One informed *Veritas* that during the interrogation, he was asked if it was true that he lets the NPAs eat in his house. "I told them, yes, I let them eat when they knock at the door and I see them hungry. I am a Christian and I believe in sharing. Besides, how often do I open my doors to let them eat? Once a month or once in two months. I am not greedy. *Kung naa ko'y mahatag na pagkaon, nganong dili nako ihatag?*" (If I have food to give, why should I not give?)

In Talomo Center, a visiting suitor stayed overnight - at the PC barracks. A resident who asked not to be identified said that at about 4 p.m. on Jan. 21, heavily

armed men, some in uniform, arrived at their area allegedly looking for NPAs who escaped in an encounter in Puan, and who headed for the direction of Talomo. After a few minutes, they rode in their vehicles again, but came back at about 7:30 p.m. All of them were ordered to get out of their houses. Men were told to line up while women were made to lie down, face flat on the ground. "Later, we heard shots. Then rapid firing. *Murag gyera kay madunggan lang man namo*," (It was like war because we could only hear the shots.) Later, the same resident said, they found out that two men who were at the fiesta celebration in Talomo Proper ran when they saw military men approaching. "They ran because they were afraid of the military. They did not know there was a zoning operation here. When they saw empty houses, they entered one and hid. Unfortunately the military went up the house and found those two. They were later taken by the military, and they were only wearing their underpants."

Witnesses also said there was a house by the sea where the military said armalites were buried under. They asked the men to dig but when no armalite was found, they were told to cover the hole. "Me, I went up to our house and asked what they were looking for. They answered: '.45 caliber at *kapatid na dalaga*.'"

**W**HEN the operation was over, one lost P1,200; another was left P15 from his P150; while another lost a pair of sunglasses.

In Sitio San Vicente, Gotamco, Agdao, two brothers and an in-law were arrested in a "zoning" operation at 12:30 a.m. last Jan. 17. Candido Bolico, Purok Leader, 49, married with four children, was reportedly mauled while being interrogated.

Bolico's wife said her husband "was writhing in pain when he came home." He was rushed to the hospital on Saturday evening because he could not move the other half of his body. He died of a stroke on Jan. 21.

*Veritas* also learned from the residents that another "zoning" was conducted at about 6:15 in the morning of Jan. 23. No one was arrested. But 46 pieces of repacked ground pepper were inserted in the socks of the soldiers. "*Dili magmulo ang tawo kung dili kulatahon ug dili tulisan*." (The people won't complain if they are not harassed or robbed.)

In other areas "zoned," the residents interviewed said they are not entirely against "zoning" but the military men should not harass them.

For the residents, it is simply a matter of fear. One who signed his release order said he was made to sign despite the statement that he was in good physical condition. Another said he will not report his maltreatment because "*lisud lagi kay basig balikan ta*." (It's difficult because they might come back). —

10 April 1985

## PHILIPPINES

## SEVEN CHARGED AS CPP SUBVERSIVES IN BAGUIO

Manila BULLETIN TODAY in English 13 Feb 85 p 5

[Article by I.S. Chammag]

[Text]

**BAGUIO CITY —** Subversion charges were filed recently against the so-called "Pangasinan-7" after a three-man panel which conducted the preliminary investigations said a prima facie case existed against them.

The three-man panel had been created by Pangasinan provincial fiscal Rodolfo R. Aquino.

Charged with violation of PD 1835 were Marilou O. Marigsa, Michael M. Morden, Gerry P. de Guzman, Adelina A. Estrada, Teresita G. Oliveros, Jesus M. Victor Vistro, and Marichu C. Antonio Tobia.

The case was docketed as criminal case 3186 before Judge Antonio N. Belen of the regional trial court of Lingayen, Pangasinan.

The panel, composed of assistant fiscals Jose Antonio M. Guillermo,

Romie V. Braga, and Laurencia B. Abelon, recommended bail of P14,500 each, but to be posted only after the expiration of the preventive detention action (PDA) which authorized the arrest and detention of the accused.

The seven were charged with membership of the Communist Party of the Philippines (CPP) and allegedly active in the formation of subversive organizations in various places in Pangasinan like the "Alyansa ng mga Organisasyong Mangingisda ng Pangasinan."

The seven were arrested by military intelligence operatives on separate occasions last October, 1984.

They were reported missing by relatives for more than two weeks until Nov. 2, 1984, after a PDA was issued against them. (I.S.

Chammag)

CSO: 4200/664

PHILIPPINES

IBP LAWYERS DENY MURDER CHARGES AGAINST BIAZON

Davao City MINDANAO TIMES in English 9-16 Feb 85 pp 1, 6

[Text]

The Human Rights committee of the Integrated Bar of the Philippines here denied published reports in the local papers that murder charges are being prepared against (Col. Rodolfo) Biazon, Third Marine Brigade commander.

Lawyer Rudy Agravante of the IBP Human Rights committee and staffer Jojo Reynaldo told the Mindanao Times that there were no charges against Biazon when called up Thursday.

The alleged charge against the marine commander stemmed from a reported shooting incident at Sitio Makluhang, Brgy. Malabog in Paquibato district the other week wherein the victim was a certain Faustino Cabase, 23,

a suspected NPA terrorist. He was allegedly shot by PFC Fanilo Eusalan who was arresting him.

A Mrs. Nengasca, sister of Cabase and residing here in the city proper went to the IBP to report the incident, according to Agravante.

Col. Biazon, on the other hand, told newsmen that he welcomes any charges against him so that the truth will come out.

He said that he had been conducting dialogues with students and youth groups all over the city and the published report about an alleged murder charge against him will have a telling effect on his efforts to promote the image of the marines.

CSO: 4200/663

PHILIPPINES

PAPER PROPOSES MARINE COLONEL FOR CITY HALL

Davao City PEOPLE'S DAILY FORUM in English 10 Feb 85 pp 2, 7

[Commentary by Jessu Entruda]

[Excerpt] Under the integrated security plan being drawn out by the Armed Forces of the Philippines, provincial governors, city and municipal mayors will be given broader powers over the police and para-military forces in their respective areas to fight the growing threat of insurgency. In our Davao City, insurgency is not anymore a threat but a reality that has grown in widespread proportion. Peace has become strange to us and the death toll among our people continues to lengthen each passing day. In order that the integrated security plan could be carried out with the desired results, there are those toying on the idea of putting at the helm at City Hall a military man who can stand equal to the situation. One name openly suggested is that of Col Rodolfo Biazon, commander of the Marines contingent here.

Col Biazon has the expertise, training and commitment to do battle not only against the insurgents but also against those who stand in the way of peace and order. A military hand performing functions in a purely civil government is not new. When the nearby provinces of North Cotabato and Sultan Kudarat were beset of problems posed by the Ilagas and the Muslim blackwhirts, Carlos Cajelo and Benjamin Duque, both colonels, were plucked from the military to become governors and saved the situations for the residents of the two provinces, respectively. The occasional reports of violence we hear from the two nearby provinces are, most often than not, spillovers of incidents in Davao City.

CSO: 4200/663

PHILIPPINES

JESUITS TO DISCUSS LOCAL LIBERATION THEOLOGY

Quezon City ANG PAHAYAGANG MALAYA in English 11 Feb 85 p 7

[Text] Four prominent Jesuit theologians will discuss "Liberation Theology and the Filipino" in one of 22 sessions of the First National Philippine Studies Conference on Feb 11-13 at the PSSC Conference Hall in Quezon City.

Fr Vitaliano Gorospe, S.J. will lead a panel composed of Fr Antonio Lambino, S.J., Fr Asandas Balchand, S.J., and Fr Renato A. Ocampo, S.J. on the first day of the conference. The theologians will discuss the latest documents from the Vatican and relate them to the current political crisis.

Other panels in the conference will deal with other aspects of the current crisis, such as collective forms of protest, coping behavior and political dynamics.

Literature, education, minorities and women will also be tackled in the conference which is expected to draw more than a hundred of the country's top scholars.

The conference is being organized by the Philippine Studies Association, a non-stock association of scholars working in areas related to the Philippines.

CSO: 4200/664

10 April 1985

## PHILIPPINES

## BRIEFS

ARMY CAPTURES NPA CAMP, KILLS 100--Camp Lapulapu, Cebu City (PNA)--Around 100 New People's Army (NPA) men were killed and their training camp captured in a six-hour siege by government troopers of a dissident stronghold deep in the mountain of Barangay Dumalian, San Miguel, Zamboanga del Sur last Jan 29, the Army's Third Infantry Division in Cebu City said yesterday. Gen Benjamin Divinagracia ordered the report of the encounter declassified and made available to media this morning. According to the Army report, elements of the 39th infantry battalion of the third infantry division, backed by elements of the third air force division with two helicopters from the 205th helicopter wing and artillery fire, assaulted the stronghold and overran the camp after six hours of fierce fighting. No casualty was reported on the government side. The report did not mention whether there were dissidents and ranking dissident leaders captured.

[Text] [Quezon City ANG PAHAYAGANG MALAYA in English 11 Feb 85 p 8]

CSO: 4200/664

MILITARY AFFAIRS AND PUBLIC SECURITY

NHAN DAN ON NORTHERN BORDER DISTRICT BUILDING

BK190430 Hanoi NHAN DAN in Vietnamese 18 Feb 85 pp 3, 4

[Article by Ngoc Dan: "Border Districts as Military and Security Fortresses"]

[Text] The resolution of the Seventh Party Central Committee Plenum, fifth term, pointed out: "In the immediate future, it is necessary to integrate the efforts of the entire country with the task of developing the spirit of self-reliance among localities so as to urgently make all districts in the six northern border provinces strong in every respect--especially the 31 border districts and towns and other adjacent districts--so that, together with the main forces, they can firmly defend their localities under all circumstances."

The willpower of the party organization, army, and people of the northern border districts has been strengthened remarkably, especially in localities where people face a decisive challenge in their daily confrontation with schemes and acts of sabotage and aggression of the Chinese expansionists. The army and people of these localities have scrupulously and creatively carried out the party lines. Every man and village have held fast to their land to develop the combined strengths and turn their localities into military and security fortresses in order to defeat the enemy, firmly defend the border, develop production, and improve the daily life of the people, officers, and combatants of the armed forces.

Realities show that the people-soldier solidarity has been strengthened in various localities from Vi Xuyen and Yen Minh (Ha Tuyen) to Ha Quang and Quang Hoa (Cao Bang) and Trang Dinh (Lang Son) and so forth. This solidarity has formed into a people's war position at the district level. The concept of using combined strengths has been implemented in various fields including the formulation of joint combat tasks, building defense lines, ensuring local logistic supply, and carrying out the combat support task at the front and the rear for various forces to strengthen their combat readiness position.

Thanks to these efforts, when the Chinese aggressors intensified their military activities and carried out their war of land grabbing at the border area, the army and people in localities correctly judged the enemy's schemes and acts, while calmly engaging in combat. Local military units and the militia force fought together at various battlefields. Various detachments of the militia force in Yen Minh held fast to their area and fought creatively,

thereby creating favorable conditions for the local army to stand firmly on its position and fight in area close to the border. In many battlefields, the enemy could not find out if the counterattack was launched by the local army or the militia force. Detachment no. 3 and the militia force of village B and P launched joint combat in various battlefields and scored great achievements. This is an exemplary operation.

In 1984, for 40 consecutive days, the Chinese fired tens of thousands of artillery and mortar shells of various calibers on Trang Dinh District (Lang Son). When the enemy deployed several infantry battalions to occupy heights 636 and 820, various military units closely coordinated with the militia force in villages D.T. and Q in fighting against the enemy, killing many of them and firmly defended their position. During these days the district maintained its production while engaging in combat. In the same decisive condition, Ha Quang and Quang Hoa Districts (Cao Bang) promptly reinforced the front with the rear forces, engaged in combat, and carried out combat support tasks. The presence of key leading cadres of districts at battlefields and key areas has realistically helped strengthening leadership and ensuring the effective joint combat task of forces in districts.

An outstanding feature of the border districts directly fighting against the Chinese aggressors' land-grabbing war is their success in waging their local people's war. By beginning with the building of grass-roots units, especially the organization of firm and strong militia units in each combat village and complex, nearly all the border districts have at their disposal a combat force to serve as the hardcore, thereby creating an aggregate strength of the people of various nationalities to defeat the enemy. While standing ready to fight in defense of production work, these detachments also act as the hardcore in ensuring the security of each hamlet and village. In recent battles, although the enemy committed a large force backed by intense artillery and rocket bombardments, almost all the militia detachments and people in various hamlets and villages, applying flexible tactics, were able to hold fast to their positions and to attack and destroy the enemy while successfully preserving their own forces and firmly defending their localities. Each district showed considerable creativity in combat, striking the enemy both inside and outside its defense line. Many detachments took the initiative to attack the enemy even when they had lost contact with the upper echelons. Owing to this, fighting developed both in width and in depth, disrupting enemy formations, sapping the enemy's strength, and creating favorable conditions for the local and main force troops to annihilate him. In 1984 and early this year, many militia detachments of B.T. and P villages in Ha Tuyen Province attained high combat efficiency, wiping out numerous enemy soldiers while suffering very few casualties. In Trang Dinh District (Lang Son Province) and Quang Hoa and Ha Quang Districts (Cao Bang Province), militia detachments, placed on combat alert and operating in coordination with public security and armed forces in conducting patrols and maintaining vigilance, captured many scouts and commandos as soon as they crossed the border into our country.

Unleashing the people's war with such distinctive features have helped further cement the solidarity between the army and the people as well as the unity

between the armed forces and the people of different nationalities. Looking back at the recent battles in the border districts, we can see all the more clearly the sense of mastery of the entire people and their sense of responsibility for defending and preserving every inch of the homeland's border area. The party organizations and people of the villages in the rear have actively aided the frontline villages and units by sending them supplies, helping them evacuate wounded soldiers, and providing them with material and logistic support. Many villages and districts have sent militia detachments to help the border localities fight against the enemy. The people of the villages and districts in the rear have also contributed tens of thousands of man-days to building combat positions and consolidating fortifications in each of the frontline districts.

This process of fighting has enabled various districts to gain a correct understanding of the situation and to effectively organize their activities in building their combat positions by combining economy with national defense and fighting with production development. Many districts have built frontline combat positions interconnected with those in the rear or have constructed interconnected frontline combat complexes. They have concentrated on consolidating their communications and signal and liaison networks. On-the-spot combat support logistic bases have been set up to ensure supplies of fresh foodstuffs and grain to the districts for a definite period in case of hostilities. Guidelines for investment in the building of an agricultural-forestry-industrial economic structure have been formulated to suit the characteristics of the border districts which have to simultaneously do production work, carry out combat duties, and maintain combat readiness. Just like Quang Binh and Vinh Linh during the years of the anti-U.S. struggle, last year the border districts organized their combat forces while satisfactorily carrying out production work. Under the conditions of being relentlessly attacked by the Chinese, who on several occasions resorted to both firepower and infantry, many districts still managed to fulfill their economic development targets.

A recent victory of the northern border districts was their close coordination of effective combat activities with firm maintenance of public security and order and social safety.

To support their border intrusions, the Beijing reactionaries have simultaneously and feverishly stepped up the multifaceted war of sabotage in these hot spots. They have actively resorted to psychological warfare to cajole the population, to sow division among the people of different nationalities, and to drive a wedge between the army and the people in an attempt to weaken our forces and build politically "black areas." When fighting breaks out, they organize armed teams and infiltrate them deep into our territory to kidnap cadres and people. The Chinese aggressors' regular activities consist of sending out commandos and scouts to gather intelligence, study the situation, and sabotage economic and national defense installations in vitally important areas.

Seeing through the enemy's cruel and evil intentions, the party organizations, armed forces, and people in the border districts have further closed their ranks, remained constantly on the alert, and devised effective counter-measures. In several border villages of Quang Hoa and Yen Minh Districts, no one deals in or barter enemy goods. The national defense and security detachments serve as the hardcore of the mass movement for security and have begun to operate on a regular basis. Many scouts and commandos and many bands and groups of illegal goods smugglers have been unmasked and captured by the masses. The combat positions built on the people's hearts have thus really demonstrated their effectiveness in the maintenance of political security and public order. On this foundation, other activities--such as the building of firm and strong party bases and stable and pure administrative and mass organizations imbued with the new stage's militant spirit--are developing.

With the increasingly effective assistance of the entire country and with their self-reliant spirit, the border districts have created a new fighting strength and have built themselves into increasingly stronger military and security fortresses.

CSO: 4209/296

MILITARY AFFAIRS AND PUBLIC SECURITY

EDITORIAL URGES THRIFTINESS IN TASK, COMBAT PERFORMANCE

Hanoi QUAN DOI NHAN DAN in Vietnamese 18 Jan 85 pp 1, 4

[Editorial: "Strict Thriftiness"]

[Text] The combination of production with thriftiness is a law of socialist production. At a time when our country is advancing from small- to large-scale socialist production by skipping the capitalist development stage, it is necessary that every one of us displays a high spirit of self-help for self-improvement. Thrift is an indispensable condition for successfully building socialism as well as an essential virtue required of every revolutionary. President Ho Chi Minh once advised us that "increasing production and practicing thrift are the two most essential factors in developing the people's democratic regime and in gradually advancing to socialism." ("Appeal on International Labor Day, 1 May 1957" in Ho Chi Minh, "Selected Works," Su That Publishing House, Hanoi, 1960, p 621) Our party and state consider thriftiness to be a major policy. Thrift must be practiced in all domains and in all fields of societal activity and its necessity must be emphasized permanently and continuously.

In the recent past, together with the entire party and people, our army has considered it important to implement the thriftiness policy, and a number of units and production installations have applied it satisfactorily. However, an overall glance has revealed that wastefulness is still rampant. Since the army is still an excessively bureaucratic organization in which the view that the labor performed by soldiers is dirt cheap is still prevalent in all units, the need for thriftiness has not yet been strongly stressed and the measures aimed at enforcing thrift and opposing wastefulness have not yet been truly rigorously implemented.

At present, our army and people are enthusiastically beginning to perform the tasks indicated in the state plan for 1985--the last year of the 5-year (1981-85) plan--and are preparing for the execution of the next plan. The targets to be strenuously reached are rather difficult but the conditions necessary for fulfilling the plan are still seriously limited. Disproportionate elements and the failure to fulfill certain plan norms in 1984 have created difficulties for future efforts; therefore, along with production intensification, the problem of thriftiness must be seriously raised for each citizen in general, and for each cadre and soldier in our armed forces in particular.

To properly implement the state policy on thriftiness, all units must intensively educate cadres and soldiers to show them the short- and long-term economic difficulties and to induce them to uphold the spirit of self-help for self-improvement and practice thrift in carrying out all tasks regardless of their position. Thrift must be practiced not only in production for business and self-sufficiency purposes but also in performing tasks, training and even combat activities. When fighting, the most important indication of thrift is combat effectiveness and its outcome. For each battle fought, ammunition consumption and casualties must be held to a minimum while the result must be the maximum number of enemy annihilated and captured as war prisoners and the maximum amount of enemy weapons and equipment seized. In the area of production, thriftiness means carefully calculating the effect of each dong of capital and each working day. Of course, it is necessary to take greater care to incur the least expenses especially during festivals and the Tet holidays. Everyone must be educated and imbued with a correct concept of thriftiness. Thriftiness does not only mean a reduction in expenses but also requires us to take the result of expenditures into account in order to assess the extent to which thrift has been exercised. If we find that something incurs expenses but will prove profitable and effective, we must resolutely invest capital; on the contrary, if we find that it will not bring about any benefit and effect, we must decidedly abstain from making any expense no matter how small it may be.

In conjunction with political and ideological education, special importance must be attached to organizational and managerial measures. It is necessary to fix rational material consumption norms for each sphere of activity, to make sure that these norms are applied and constantly to watch them in order to adjust them quickly when circumstances have changed. On the basis of these material consumption norms and with regard to tasks that can be assigned by contract, we must firmly implement the system of letting out work on contract with individuals or units so as to hold everyone really responsible for his task and expenses and thus provide an opportunity to develop initiative and creativeness in practicing thrift. It is necessary to vigorously expand the building of good material and equipment depots, to ensure that there are enough depots and fields to store all kinds of material and equipment according to fixed technical regulations and to see that each depot is carefully guarded by persons assuming responsibility for any shortage, loss or deterioration of the stored goods.

A knowledge of economic-technical measures has a decisive effect on the practice of thrift. Therefore, every unit must, on the one hand, work out a plan and take all measures to improve the knowledge of science, technique and economic management of each of its cadres and soldiers according to his special duty. On the other hand, they must further develop and apply technical initiatives and innovations in all tasks in order to reduce the waste of necessary materials and increase the effectiveness and quality of production and other tasks.

Along with the above-mentioned measures, a movement for thriftiness must be properly carried on in all units. A policy and system must be formulated to grant compliments, rewards and moral and material encouragement to

individuals and collectives having made achievements in practicing thrift. Encouragement in the form of material benefit must correspond to the result of thriftiness and its value. At the same time, severe penalties must be handed down to persons and units having caused waste, loss and deterioration of the [property and] money of the collective and state.

Since thriftiness is a major policy of our party and state, all units, organizations and individuals have the duty to practice it. For this reason, every cadre and soldier in the armed forces must uphold the spirit of self-help for self-improvement, try to practice thrift and continuously increase production effectiveness and combat efficiency, thereby contributing to diminishing the national defense cost and effectively promoting socialist construction in our country.

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MILITARY AFFAIRS AND PUBLIC SECURITY

EDITORIAL CALLS ON REAR SERVICE TO IMPROVE TROOPS' SUBSISTENCE

Hanoi QUAN DOI NHAN DAN in Vietnamese 28 Jan 85 pp 1, 4

[Editorial: "Build a Stable Battle Position for the Rear Service, Ensure the Subsistence of Troops on the Front Line"]

[Text] After waging two wars to defend the fatherland against expansionist aggressors in six northern border provinces and in the southwestern region, our army has had to meet new requirements concerning the building of forces, mobility, combat readiness and subsistence. The rear service must satisfy the material needs essential to all strategic areas and battlefields in order to foil all warlike acts and border encroachments by the enemy.

The party, state and entire people have constantly taken care to build the army and paid attention to the soldiers' life. The materials supplied by the state to the army are the greatest and the principal source of supply. At a time when the national economy is still beset with difficulties and imbalances, when production is developing slowly, when the population is growing rapidly and when material sources are limited, the armed forces are always supplied on a priority basis with grain, food products, clothing and consumer goods. Our people fully understand that soldiers are their own children and younger brothers and that military service is a special kind of activity requiring a commensurate supply of materials; therefore, our people have never spared any effort and wealth to ensure the soldiers' subsistence. Thus, no matter how difficult the circumstances and how serious the shortages may be, the party, state and all localities have always considered the army an object of their attention and solicitude. In any case, the state supply source alone does not suffice to meet the manifold needs of our army's subsistence.

The fighting mission and combat readiness of the armed forces, especially on the first front line, require that a stable rear service battle position be built from the central level to basic units with the aim of applying the following method of ensuring subsistence at the present time: Coordinating the state supply source with intensive production (in the areas of agriculture, forestry and fishing, in the processing industry, in producing consumer goods and building materials, in building barracks, etc.) throughout the army; maintaining standards to stabilize the soldier's life; tightly managing material installations of the rear services; and

strenuously practicing thrift in daily activities, in training and in performing productive labor.

In the past few years, the troops' subsistence has faced numerous difficulties and shortages, especially for the forces which fought or stood ready to fight in border areas and on islands and remote battlefields. In these areas, the population is scarce or does not exist at all, on-the-spot supply sources are weak, weather conditions are harsh and soldiers have had to keep up a high level of combat readiness. All these factors have limited efforts to increase production. Despite great efforts, the rear service has been unable to overcome transport difficulties so that only a low effectiveness has been obtained in ensuring the subsistence of troops stationed on the front line. On the other hand, the organizational system of the rear service has not yet been improved, and the rear service in each unit has proven weak in the face of mission requirements. Management in a number of units has been unsatisfactory. This situation has often led to a phenomenon called "continued glut after protracted hunger". All these weaknesses and shortcomings are being corrected, the rations and standards of troops on the front line increased, and production and processing given special attention.

Nevertheless, the rear service tasks need to be improved at all stages including the central level, all army rear service echelons, and grassroots units. To firmly ensure and stabilize the subsistence of troops stationed on the front line, all units must accept and satisfactorily implement the state-mandated norms and, at the same time, must step up the production of foodstuffs, greens and fuel. It is also necessary to create on-the-spot sources of materials and to regulate and balance rations, especially protein, vegetables, tubers and fruit, in order to put an end to "continued glut after protracted hunger". To achieve high effectiveness, grassroots units must exert every effort to do these two key tasks: production and processing. Production may be performed around kitchens and houses--mainly by cultivating greens, tuberous plants and fruit trees beside barracks and trenches and by raising hogs, chickens, bovines and fish. It is necessary to consider processing important at all the three echelons--especially at the regiment and battalion levels--and in slaughtering hogs and making soya cakes, bean sprouts and pickled greens, tubers and fruit. A plan must be drawn up to regulate the meals of each detachment stationed at a support point. In the meantime, every unit must form a body of "good cooks and good managers", rationally use products obtained by increasing production, openly carry out financial activities and clearly publish standards and rations.

This year the rations supplied by the state to the army will surely be increased in comparison with the past. However, to stabilize and improve the life of troops--especially units stationed on the front line--our entire army and the rear service at all levels must make much greater efforts. It is necessary to keep close contact with all sectors and localities in order to receive supplies according to the fixed norms, to concentrate all productive and processing capacities, to coordinate the activities of both the high and low echelons, to increase transport capacities, to improve distribution and management and to coordinate and join efforts with all localities to step up production and build on-the-spot supply installations--especially those providing fresh food products. If all this is done, the life of troops on the front line certainly will be further stabilized and improved.

MILITARY AFFAIRS AND PUBLIC SECURITY

PUBLIC ORDER, SECURITY BETTER MAINTAINED IN HO CHI MINH CITY

Hanoi QUAN DOI NHAN DAN in Vietnamese 29 Jan 85 p 1

[Article by Nguyen Phuong: "In Ho Chi Minh City, the First Month of 1985 Marks an Obvious Change on the Public Order and Security Front"]

[Text] While conducting a seething emulation movement to register achievements to celebrate the 55th Anniversary of the Party Founding and the 10th Anniversary of the City Liberation and the Complete Liberation of South Vietnam, Ho Chi Minh City has begun the year 1985 by closely coordinating all sectors and forces to bring about an evident change in maintaining public order and security in the city.

From the important case of espionage organized by China and the Thai army intelligence service which was tried recently by the Supreme People's Court, the Ho Chi Minh Municipal Party Committee has drawn a vivid and concrete lesson and used it to launch an intensive and extensive educational campaign within the party and mass organizations to inform them of the cunning schemes concocted by the enemy in his manifold war of destruction against our country --especially in the city area--and to heighten everyone's spirit of ownership and vigilance.

In pursuance of the directives of the Ministry of Interior and Directive No 28 of the Municipal People's Committee, the public security forces in all wards, precincts and districts have taken measures to strictly control every household and every individual in each street people cell in order to practically solve the illegal residence problem. Hundreds of families whose righteous status meet regulations have had their household registration books renewed and their housing problem settled and been given opportunities to stabilize their life.

Along with the measures taken to transform private trade and reorganize commercial activities in the Ben Thanh, Binh Tay, An Dong, Tan Dinh and Ba Chieu markets, the city has firmly dealt with households and shops which used to encroach on sidewalks. Following the disbanding of the metallic goods open-air market in Nguyen Cong Tru Street, the merchandise and traders in this market have been transferred to the Dan Sinh market. As for groups of merchants who formerly met along Ham Nghi Street for commercial dealings and thus created great disorder, they have been transferred to and gathered

in an area near Nga Sau [Crossroad 6] Saigon. All electronics dealers who held open-air markets have in turn been dispersed while secondhand shops have been authorized to open; they are created either by the state or by private individuals doing business jointly with state commercial agencies in various precincts.

It must be noted that during the Tet holidays of the Lunar Year of the Ox, the city used mass information means to carry out continuous propaganda to make people thoroughly understand the People's Committee directives on limited use of firecrackers, and caught and severely dealt with two cases of illegal manufacture of firecrackers in the Third Precinct and Go Vap District and managed state-made firecrackers more wisely, thus preventing major accidents. During this year's Tet holidays, besides the Zoological Garden, the Culture Square (formerly called Tao Dan) and other entertainment places in various precincts, the city opened the 1985 Spring Fair in the Hoc Mon area where five roads converge. As many as 100,000 people came to see the fair on the first 3 days of the Tet, but there were fewer traffic accidents than in the previous years. In the Fifth, Fourth and Eighth Precincts, no major traffic accident happened during the 3 Tet holidays.

The police and military control forces in the city also closely coordinated their organizational and planning activities and set up 12 fixed control points and mobile joint control units to cover 10 major roads on a 24-hour basis throughout the Tet holidays to quickly cope with any incident that might happen.

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MILITARY AFFAIRS AND PUBLIC SECURITY

VPA DAILY RECOUNTS SABOTAGE OF TELEPHONE LINE

BK200526 Hanoi QUAN DOI NHAN DAN in Vietnamese 6 Feb 85 p 3

[Report by Luu Quang Hung and Phuong Quang: "Neatly Collaring Telephone Line Saboteurs"]

[Text] I [as published throughout] was startled when the director of Kien Giang stone factory told me: "The villains have just sabotaged 5 km of telephone line and taken away 36 telephone poles (of Japanese pinewood)."

This is not a simple economic case but one of political significance because it upset communications between the factory and other agencies in the district. If the culprits could not be detected and some of the ringleaders apprehended, they would hold sway. With this thought in mind, I discussed with the reconnaissance authorities sending some agents out to investigate the case.

The first questions I had to answer included: "What were the villains aiming at by taking pinewood poles away? If they used them in building houses and making beds and wardrobes...who are their customers? Where and how did they move these items?"

Studying the case, I realized that each electrical pole weighed from 300 to 300 kg. One man could not carry one away. This indicated that two or three men were involved. There are many canals in the area, so the villains could move the poles by boat. The best clue would be to find out who owned this kind of pinewood.

The difficulty was that we could not go into anybody's house. Entering the people's houses would violate their right to mastery and would create a chance for the villains to spirit all evidence away.

I had the idea of making the acquaintance of Mr Thieng, a well-known carpenter in the area, who must know a good bit because he used to build houses and furniture for many people. Mr Thieng was outspoken and honest, and I could talk to him easily. I said:

"Nobody in this area can build better furniture than you."

Mr Thieng seemed delighted and said: "You overpraise me. However, I would quit my job if anyone could ever insert a tenon as close and as beautiful as mine." Saying that, he pointed to a desk he had just completed. I supported his claim and tactfully asked:

"You have been working here for a long time. You should know who has some Japanese pinewood for sale. I would like to buy some."

"It is too expensive," he said. "In this locality, only Ba Chi has that kind of wood, but you should keep it secret or I'd be involved, shouldn't you?"

I had to disguise myself as a farm worker and went to Ba Chi's house, pretending to buy water buffalo for the farm, in order to check his house legally. While speaking to him, I saw nine poles of rose, shining, veined wood. Although workers had striven to plane the poles well, some spots of asphalt could still be noticed on the poles. "These are the pinewood poles of the stone factory!" I was satisfied with myself and pretended to ask Ba Chi:

"Where did you buy such good pinewood? Can you tell me? I would like to get some too."

The question seemed to startle Ba Chi a little. I found him embarrassed. He tried to invite me to drink tea and said:

"It's too expensive, my dear brother. I bought it from as far as Phu Quoc Island. But this is not pinewood."

Despite his denial, I knew that it was pinewood. Ba Chi tried to change the topic of conversation. I had to repeat it to get him to tell the truth--that he bought the wood from a man named Tran Van Nghia in Ba Hon. Studying Nghia's personal records, we knew that he was living in Nam Thai Son village with his wife and three children. In 1978, he had been jailed for some time because of his involvement in helping people flee by sea. After his release from the jail, he went further down the path of crime--stealing and smuggling. He was then called to the border outpost for reeducation. Sniffing the bad news, he fled from home. Some time later, our informers reported that he was living on R. island, a deserted island with many caves. Three armed soldiers and I left for R. island. No sooner had I entered a cave than something whizzed past my ears. I dodged behind a boulder and saw two daggers hit and spark against another boulder. While I was still amazed, Nghia and two others with unkempt hair appeared. I pulled out my pistol and shouted: "Hands up if you want to live!"

Nghia pretended to raise his arms and dashed into me, trying to take my pistol. I grabbed his hair and wrestled him down. The other two bounced forward to rescue him, but they were subdued by my three soldiers. All of them were brought back to the outpost. Nghia confessed that he had stolen 16 pinewood poles and sold them to Ba Chi. The number of recovered poles was still too small compared to the loss. Had Nghia already told all the truth? While detaining Nghia, we continued to broaden our investigation.

Some time later, our informers reported that pinewood had been seen in the houses of Do Van Tham and Duong Van Nuoi. We secretly investigated and found the report was true. I organized the dragnet. While our agents were bargaining with Thanh and Nuoi to buy the wood, we showed up and caught Thanh and Nuoi red-handed with all the evidence. They had to plead guilty.

After more than a month of further investigation, we caught three ringleaders and recovered 36 pinewood poles for the stone factory. In the wake of this case, stealing was rarely noted in the locality.

CSO: 4209/296

INTERNATIONAL RELATIONS, TRADE AND AID

SWEDISH PLAN FOR MAKING BAI BANG 'FREE ZONE' ACCEPTED

Stockholm SVENSKA DAGBLADET in Swedish 28 Feb 85 p 6

[Article by Hakan Bergstrom]

[Text] The Vietnamese authorities have given the clear signal for the reorganization of activities at the Bai Bang paper mill.

The Vietnamese have formally accepted the plan to have the Bai Bang aid project receive its' own organization which does not need to be classified under different ministries. A common organization for both paper processing and logging will be formed in connection with Bai Bang. The project will thereby become its' own entity which varies from the normal centrally-directed pattern in Vietnam.

Such a reorganization is essentially to improve effectivity. "The decision is currently enlodged in the ministries," says Sigvard Bahrke, project chief at Bai Bang and managing director in Scan-management (the consulting firm which administrates the Swedish operation in Bai Bang).

Scandinavian Free Zone

"A kind of Scandinavian free zone in Vietnam will thereby be established," says division chief Bo Goransson of the aid organization SIDA.

The Swedes currently have forwarded a demand for comprehensive changes at Bai Bang. This includes demands for higher pay for workers and demands for a reduction of personnel. The demands have arisen in connection with a new work contract which will be written with Vietnam this summer.

Half the Force Shall Go

Currently, 17,000 persons work in logging in connection with Bai Bang. In the factory itself, 2,800 Vietnamese work. The Swedish project management believes that the personnel force cannot be maintained.

"In a few years we must have a work force which is only half as large," says Sigvard Bahrke. In exchange, the project management wants the Vietnamese authorities to raise the wages for factory and logging workers. Today, the workers cannot support themselves with the work and must utilize a large amount of their time acquiring extra jobs. Higher wages would promote productivity.

## Low Utility

The paper mill currently has a production of about 20,000 tons of paper per year. However, at full capacity the factory should produce 55,000 tons of paper. Still the production has gradually increased. In January 1984 barely 500 tons of paper was produced. In December of the same year the monthly production had increased to more than 2,000 tons.

In recent times the difficult work conditions in the woods have been brought to attention. The logging workers (mostly women) who supply Bai Bang with raw material live under difficult conditions. A thousand of them left their jobs illegally in 1983 because the working conditions were difficult to endure. Up until now, only negligible efforts have been made to improve the situation: logging workers have received mosquito nets and medical materiel, etc.

## Want to Provide Grace Period

The same criticism which currently is directed against conditions in the forest would have with good reason been able to be directed against conditions in the factory itself a few years ago. "However, the situation here has improved," says Sigvard Bahrke.

Therefore, he wants to give the Vietnamese the time and opportunity to improve conditions for loggers as well. Support for the contention that the working situation is significantly better at the paper mill includes a sociological investigation by consultant Birgitta Sevefjord.

In interviews with the female factory workers she found that 60 percent believed that the work at Bai Bang was decidedly better than the work they had previously had. Fifty-six percent thought that their entire standard of living had clearly improved.

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10 April 1985

## PARTY ACTIVITIES AND GOVERNMENT

## SOME LOCALITIES NEGLECT GOVERNMENT BOND SALES

Hanoi HANOI MOI in Vietnamese 26 Jan 85 pp 1, 4

[VNA News Release: "Ending Two Phases of 'Fatherland Construction' Government Bond Drive: Entire Nation Buys Bonds Worth Nearly 2 Billion Dong in Cash, Nearly 6,000 Tons of Paddy, Thousands of Dong in Foreign Exchange, and Hundreds of Cattles of Gold"]

[Text] On 20 December 1984, the Standing Committee for Promoting the Campaign to Purchase Government Bonds of the Party Central Committee held a meeting to evaluate implementation of Resolution 15 of the Political Bureau of the Party Central Committee and the regulation of the Council of Ministers on the issuance of "Fatherland Construction" government bonds. The meeting was chaired by Huynh Tan Phat, chairman of the campaign committee. Also attending was Tran Phuong, Vice Chairman of the Council of Ministers.

Attendees asserted that since 19 December 1983, thousands of socialist patriots from the masses of ethnic minorities, cadres, workers, public servants, the armed forces and overseas Vietnamese, from the very old to the very young and from the far borders to the islands, have enthusiastically purchased government "Fatherland Construction" bonds in support of national industrialization.

Through two phases of the campaign, people throughout the nation have purchased government bonds worth nearly 2 billion dong in cash, nearly 6,000 tons of paddy, thousands of dong in foreign exchange and hundreds of cattles of gold. The 12 provinces, cities and special sectors of Dac Lac, Quang Nam-Da Nang, Ha Bac, Quang Ninh, Nghia Binh, Hoang Lien Son, Vung Tau-Con Dao, Lai Chau, Dong Nai, Nghe Tinh, Lam Dong and Gia Lai-Kontum have fulfilled their assigned goals by 100 to 161 percent. A number of provinces such as Phu Khanh, Binh Tri Thien, Son La, Thanh Hoa, Ha Son Binh, Thuan Hai, Hau Giang and Ha Tuyen, Ho Chi Minh City, Hanoi, etc. have achieved high percentages. Thousands of precincts, districts, cities, villages, wards, agencies and enterprises have completed and exceeded norms. Thousands of families and individuals have set high levels in government bond purchases of from 50,000 dong and 1 ton of paddy and up.

Along with the results and achievements noted above, the two recently concluded bond campaign phases also had a number of limitations and unresolved problems such as the failure by many provinces, cities, precincts, districts, towns, etc. to yet complete the expected level of government bond purchases for the 2 years of 1983 and 1984. The primary reason is that the party committee and administrative echelons in those locations have not yet given true concern to campaign leadership, at times haphazardly assigning the work to local campaign committees.

The meeting also examined and resolved proposals made by various sectors, organizations and local areas, and decided to close out the 1983-1984 people's campaign to purchase government bonds on 31 December 1984. While waiting for assignment of specific plans and norms by the central government, local areas must immediately launch a phase in the government bond campaign before and after the lunar new year of the Ox.

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## PARTY ACTIVITIES AND GOVERNMENT

### PARTY DIRECTIVE EMPHASIZES DIRECTIVE COMPLIANCE

Hanoi HANOI MOI in Vietnamese 1 Feb 85 p 2

[Article by Phong Vu, Vice Chairman of the Municipal Control Committee: "Hanoi Party Organization Steps Up Inspection of Party, State Resolution and Directive Compliance"]

[Text] Since the middle of 1983, the Hanoi Municipal Party Committee has been supervising development of pilot projects in inspecting compliance with the resolutions and directives of the party and state, briefly described as "inspected leadership," in a number of ward and district party committee echelons and primary level party organizations. During the last few months of 1983, this work was expanded to 16 wards, districts and towns and in 67 party organizations, party chapters and primary level party units, comprising 4 percent of the primary level party organizations and 7 percent of all the members in the Hanoi party organization.

At the end of 1983, the Standing Committee of the Municipal Party Committee summarized and evaluated the results of inspected leadership achievement and issued a directive that all committee echelons, sections and sectors must have a program and plan for supervising and organizing inspection of party and state policy and decision compliance. At the same time, development of this work in all "strong" and "good" category primary level party organizations was directed.

By the end of 1984, 546 primary level party organizations made up of 53,120 party members had developed and achieved "inspected leadership," 31 percent of all primary level units and 37.5 percent of all party members.

The Standing Committee of the Party Central Committee also has a program for inspecting compliance with the 1984 and 1985 directives and resolutions of the city, concentrated on crucial work aspects such as circulation, distribution, production, party construction and cadre work and aimed at assuring successful achievement of the economic development mission, stabilizing the standard of living and raising the ability and effectiveness of supervision leadership. This inspection program has been and is being carried out.

Generally speaking, locations that have developed "inspected leadership" have all strictly complied with work regulations in accordance with plans and guidance, and have studied and thoroughly understand the goals and requirements of the inspection theme as it revolves around the primary missions and objectives.

Responsibility has been assigned for handling inspection in accordance with the theme, plan, stipulated time, etc. Many locations have achieved a fairly good inspection program.

The Hoan Kiem Ward Party Committee set up an inspection program consisting of five tasks and established seven inspection teams led directly by members of the standing committee to inspect hundreds of primary level units: inspecting for the illegal purchase, sale, transfer, construction and repair of houses. They uncovered more than 400 violations and handled 60 cases, including 20 involving illegal housing sales and transfers, and recovered more than 500 square meters of housing space. The inspection of 213 handicraft production teams revealed that only 16 were operating properly, 108 had indications of violations and 88 were totally of an illegal nature. This led to methods for strengthening these units.

Many ward and district committees such as in Dong Da, Hai Ba Trung, Gia Lam, Ba Vi, Thach That, Phuc Tho, etc. and their subordinate party organizations such as the public security forces and the university have all established an inspection program which they have totally or for the most part achieved. The district and municipal committees have concentrated their supervision and cadre forces on implementing inspection and consolidation of sowing, transplanting and harvesting and on achieving grain and food obligations.

The inspection program theme of enterprise party organizations is oriented toward the production norms and plans for 1984, organizing and caring for the lives of the cadres and workers, raising the leadership quality and combat strength of the party organization, and raising the spirit of responsibility and the collective ownership role of the masses. Because Enterprise X40 during 1984 encountered difficulties in production due to goods shortages, many inspection phases were implemented to discover and resolve the signing of additional production contracts. Through effort and struggle, the enterprise met and surpassed planned levels for 1984 by 2 percent. This party organization also inspected technical material accounting in the garment cutting shop. In living conditions, three elements were discovered and resolved: an additional number of rational material reward forms were stipulated, additional work was found for more than 400 families, and 157 laborers were permitted to bring their work home with firm product quality inspection. The party committee also conducted three inspections of party chapter inspection program establishment and compliance, and conducted two inspections of registration and achievement of the party member struggle program. Work among the trade union and youth masses has made much progress in developing the collective ownership role and closely connecting the individual with the collective. When an individual commits a violation, the collective must bear joint responsibility. These active methods of firm supervision and inspection produced fine results during 1984: substandard party chapters and average level party members no longer exist. Negative occurrences have totally declined.

The Da Ton Village party organization in Gia Lam District held three inspections, agricultural production, obligations achievement and party construction. Thanks to this, the successful achievement of various work aspects was assisted. Party member quality rose and there are no longer any weak party chapters or substandard party members.

Generally speaking, locations that have carried out "inspected leadership" have all achieved results in many aspects and at varying degrees:

1. Changes have been made and better results obtained in achieving the political mission, completing and exceeding planned norms.
2. Party committee echelons and key unit cadres have fairly clearly renewed their leadership behavior, spirit of responsibility, conduct of work with specific, urgent and in depth programs and plans, and their knowledge in concentrating on and proposing struggle objectives with a practical and active basis and of a scientific and revolutionary nature. Rational labor division and decentralization have been organized, there is rapid information and announcements and situation summarizations are accurate. The various situations are promptly handled.
3. The leadership quality and combat strength of the party organizations have risen. The number of strong party chapters and outstanding struggle party members has actively risen, and the number of average level party chapters and substandard party members has declined.
4. Appreciable progress has been made in work among the masses, arousing a spirit of work and production enthusiasm and developing the collective ownership role of the masses. At the same time, many efforts have also been made in care and concern for the living standards of the masses.
5. The achievement of policy programs and obligations has been more strict and urgent. Negative indications have declined.

The results noted above are due to many established factors, partially including the contributions of achieving "inspected leadership." Its effects appear in three elements:

- While investigating the basic situation in order to formulate and supplement the operations program, many weaknesses, delays, deviations and irregularities are discovered and methods are instituted for immediate correction, therefore strengthening work effectiveness and quality.
- The registration and achievement of struggle programs by party organizations, party chapters and each party member with a concept of conscientiousness and responsibility, a spirit of renewed effort and basic confidence have an effect on the process of carrying out the mission in an urgent and active manner.
- While promoting inspection, by regular periodic and unplanned forms, of compliance with resolutions and directives, it is possible to discover work being well done and advanced models in order to conduct prompt encouragement and development. It is also possible to discover obstructing problems and negative indications or to notice locations which are not yet consistent in the programs and methods in order to supplement or remove the problems. The three points above at the same time must have the true and highly subjective efforts of the party committee echelon in maintaining close contact with the operational program and in successfully achieving the defined inspection theme program with

clear assignment of responsibility and personal supervision of the inspection work by the party committee echelon standing committee before the desired results can be attained.

During the past year, there have also been not a few party committee echelons, especially at the primary level, that have been lacking continuity in supervision, still work in a formalized manner, and have not yet truly emphasized quality and effectiveness. Some locations have become gradually lax during the period of inspection program achievement; and supervision has become rudimentary and nonspecific in the detachment party committees and party chapters in achieving the operational and inspection programs. We have not yet mobilized large inspection and control forces or the cadres and party members to participate in inspection. The inspection of directive and resolution compliance has also not yet been coordinated with the inspection of violations of party disciplinary regulations and state laws.

During 1985, we must strive to overcome the shortcomings above and to actively supervise achievement of "inspected leadership" in an active and firm manner in order for it to become procedure and the operational behavior of each party committee echelon and party organization aimed at assisting to complete the political missions with high quality and effectiveness. Primary level units that have developed "inspected leadership" during 1983 and 1984 have all established and successfully achieved an inspection program. The remaining primary level units, including those that have not yet achieved the strong and good categories, and all sections and sectors must develop and achieve this task in order, by the end of 1985, for all primary level party organizations and all sections and sectors to achieve "inspected leadership."

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CSO: 4209/267

10 April 1985

## PARTY ACTIVITIES AND GOVERNMENT

## RADIO, TV COMMISSION REVIEWS WORK IN SOUTH

BK171219 Hanoi Domestic Service in Vietnamese 1430 GMT 14 Mar 85

[Text] The Vietnam Central Radio and Television Commission recently held a conference in An Giang Province to review radio and television work in the southern provinces for 1984. The conference was presided over by Comrade Tran Lam, chairman of the Vietnam Central Radio and Television Commission.

In 1984, almost all broadcast stations in the southern provinces were able to reflect promptly all important tasks, new factors, and advanced models in their localities, as well as to promote the mass movement for revolutionary action, thus helping to step up production and improve the people's cultural and social life.

Broadcast stations in Hau Giang, An Giang, Cuu Long, Long An, Dong Nai, Song Be, Ben Tre, and Tien Giang Provinces and Ho Chi Minh City presented many diversified programs and carried many investigative reports criticizing manifestations of negativism in social life or analyzing views on the development of streets and city wards, thus helping to accelerate the movement for revolutionary action in localities. Many of them also improved their reporting methods and broadcasting quality to meet the demands of listeners.

Broadcast stations in such provinces as Tien Giang, Minh Hai, Song Be, and Kien Giang also opened advanced training courses in writing news reports, articles, and radio stories for their contributors. The Hau Giang and Long An provincial broadcast stations alone had had 500-600 topical talks contributors.

Applying the motto that "the state and the people work together," 16 southern provinces and cities and special zone directly subordinate to the central government set up 538 broadcast stations and 2,279 wired radio stations at the grass-roots level--village, city ward, cooperative, and enterprise--with 10,000 public loudspeakers and 67,538 family loudspeakers.

In 1984, the southern provinces also built 28 ultrashortwave transmitting stations at district and city levels.

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PARTY ACTIVITIES AND GOVERNMENT

UNEMPLOYED URBAN YOUTHS BECOME COAL MINERS

Hanoi HANOI MOI in Vietnamese 27 Jan 85 p 1

[NVA News Release: "Enterprise of Youths Leaving to Mine Coal in Quang Ninh Province Established"]

[Text] The Municipal Communist Youth Unions of Ho Chi Minh City and Hanoi recently decided to establish an enterprise of youths mining coal in Quang Ninh Province.

This is the first youth enterprise organized by Hanoi for the purpose of attracting unemployed youths while simultaneously solving part of the city's fuel problems.

The enterprise has received more than 200 unemployed youths from the various wards and districts. The Hong Gai Coal Corporation has assisted them in swiftly stabilizing their food and housing situation and in becoming familiar with their work in the mining, screening and selection of coal. During the past year, the youth forces from Hanoi working in Quang Ninh have mined more than 200,000 tons of coal of all types for the capital.

The enterprise of youths mining coal in Quang Ninh is now expanding the production area and boldly mechanizing a number of tedious production steps aimed at accepting additional youth forces and in raising productivity and product quality.

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LIGHT INDUSTRY

INDUSTRIAL UNITS AWARD EXCESSIVE YEAR-END BONUSES

Hanoi HANOI MOI in Vietnamese 30 Jan 85 p.3

['From Enterprise to Work Site' Column by 'The Manager': "Excessive, Indulgent Product Bonuses"]

[Text] Before the lunar new year, a number of enterprises and factories in the two wards of Dong Da and Hai Ba Trung and a number of districts in rural Hanoi encountered many difficulties because cash had not been withdrawn from the bank for salary and bonus expenses. This is a reality from which the cash management agency must draw experience and find means of overcoming in the future.

However, using these difficulties as an excuse, not a few factories and enterprises awarded their workers and civil servants a fairly large number of products made by the unit itself. Naturally, arriving inspection teams found that all of these products were contained in the "three-part" plan or were "fully utilized" products when in fact they were not "fully utilized" at all.

Below are a few examples:

At one plastics enterprise, each cadre and worker was awarded up to dozens of pairs of plastic sandals of all types, not counting the other accompanying products. It is estimated that during the recent lunar new year celebration, the enterprise gave away up to 7,000 pairs of sandals as bonuses.

One metalwork enterprise, although not directly involved in production, to be on the safe side gave lunar new year bonuses to the workers, here a bicycle seat, there a luggage rack, a wheel rim, etc., worth thousands of dong.

Due to careless management and neglect in the delivery of state products, many enterprises and factories during the lunar new year celebration have become places for buying, selling and trading industrial goods and products.

This is an unwholesome occurrence in economic management for which all echelons and sectors must have responsibility for overcoming in order to achieve balance and harmony between the three interests of a production unit.

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## TRANSPORTATION AND COMMUNICATIONS

### BETTER PROTECTION OF SIGNAL-LIAISON LINES IN HANOI REPORTED

Hanoi QUAN DOI NHAN DAN in Vietnamese 27 Jan 85 pp 1, 4

[Article by P.V.: "Hanoi Makes Great Progress in Protecting Signal and Liaison Lines"]

[Text] Fully aware that the protection of signal and liaison lines is particularly important to national construction and defense, over the past years and especially in 1984, all sectors at all levels in the capital city of Hanoi paid due and greater attention to guidance, education and the implementation of firm measures which brought about good results. Compared with 1982, [in 1984] there was a reduction of 89.4 percent in the number of cases of loss of signal and liaison wires and also a reduction of 93.3 percent in the amount of lost wires. Throughout 1984, no signal and liaison wire was cut off and stolen in the rural districts of Thach That and Dong Anh, in Son Tay Town and in the four urban wards of Ba Dinh, Hoan Kiem, Dong Da and Hai Ba Trung. The three rural districts of Phuc Tho, Soc Son and Tu Liem maintained absolute safety for the lines in the last 6 months of the year. No loss was incurred in December 1984 throughout the city including four urban wards and all rural districts and towns in the outskirts. This is a noteworthy change and progress made in the capital city of Hanoi in 1984; it creates good prospects for the protection of signal and liaison lines in 1985.

Based on the results obtained, Hanoi City has drawn some practical experience from the close and firm leadership and guidance exercised by party committees and administrative organs at the municipal, ward, district, town and village levels. Propaganda has been carried out regularly among the masses. The responsible organs have firmly controlled dens specializing in illegally dealing in and producing tools made of signal and liaison wires. All sectors such as posts and telecommunications, public security, army, militia and self-defense forces, tribunals, and organs of control have closely coordinated to carry out patrol, inspection and control and to tightly watch and severely deal with violators of signal and liaison lines. Displaying a high sense of collective ownership, all sectors at all levels have satisfactorily implemented the "joint action at the central and local levels by the state and people" motto in both protective and constructive activities in order to maintain in the capital city area a signal and liaison network of an ever better quality and with a thoroughly smooth and safe operation.

Considering the achievements and experiences obtained, in 1985--a year with many important events--Hanoi City will make every effort to provide telephones for 100 percent of the villages and to basically eliminate the loss and destruction of signal and liaison lines.

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END